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# Jugoslavia as a Market

By A. B. MUDDIMAN

*Canadian Government Trade Commissioner in Italy*

Price 25 cents



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DEPARTMENT OF TRADE AND COMMERCE  
OTTAWA, CANADA

Hon. H. H. STEVENS, Minister      F. C. T. O'HARA, Deputy Minister

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COMMERCIAL INTELLIGENCE SERVICE  
C. H. PAYNE, Director



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DEPARTMENT OF TRADE AND COMMERCE  
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# JUGOSLAVIA AS A MARKET

[1 gold dinar = 19.3 cents Canadian; 1 paper dinar = approximately 1½ cents Canadian; 1 kilogram = 2.2046 pounds; 1 kilometre = 1,093.633 yards; 1 hectare, 2.471 acres. Unless otherwise stated, currency is quoted in paper dinars.]

## I

### Introductory

Milan, September 1, 1930.—Jugoslavia, or the land of the Southern Slavs, was proclaimed after the War, on December 1, 1918. It was first known as the Kingdom of the Serbs, Croats, and Slovenes, but since October 3, 1929, it must be officially described as the Kingdom of Jugoslavia.

#### AREA

The area of the kingdom is 248,050 square kilometres; in addition to the Kingdoms of Serbia and Montenegro, Croatia, Slavonia, Slovenia, Dalmatia, Bosnia, Hercegovina, Voivodina, and a part of Macedonia are included in the Kingdom of Jugoslavia.

#### POPULATION

The population, according to the last official census of January 31, 1921, was 12,017,323, but it is now estimated at 13,000,000, of which roughly 80 per cent follow agricultural pursuits.

#### LANGUAGE

Serbo-Croatian and Slovenian are the official languages of the kingdom. A good deal of German is still spoken in the old Austrian provinces; a knowledge of French is very useful in the capital. In the western districts Hungarian, Turkish, and other languages are still largely spoken. English is of very little use. Correspondence should be either in French or German, preferably German for Zagreb and French for Belgrade. The usual script is Cyrillic, not Latin.

#### RELIGION

The principal religion is the Eastern Orthodox Church, while Mohammedanism still prevails in certain areas of the south. The Croatians and Slovenes belong to the Roman Catholic Church.

#### RAILWAYS

In 1927 Jugoslavia had 6,249 miles of railways, of which 4,226 miles were of normal gauge and 2,023 miles were of narrow gauge. Of the whole length of railways, 3,966 miles belong to the State and 2,034 to private companies; with but a very small exception, all the lines are under State administration. A good deal of repair work on rolling stock has taken place recently, with some extensions of lines. The whole railway system has been greatly improved, but it has now to be focussed around the new centres of the new country. Lack of capital, however, prevents important railway schemes in this connection materializing.

#### ROADS

The length of roads under Government jurisdiction has been fixed at 9,687 kilometres, of which about 500 still remain to be built. The country is in a very backward state as regards roads. With road development, there will be a consequent increase in motor bus traffic for those parts of the country which it will be easier to serve by motor bus than by building railways.

## AVIATION

Belgrade is in the regular chain of the French "Cidna" with Paris via Budapest, Vienna, Prague, Nürnberg, and Strasburg. It is also linked with Sofia, Bucharest, and Constantinople. A local internal service, subsidized by the Government, runs daily between Belgrade and Zagreb, and Belgrade and Skopje. New air lines are proposed.

## WATERWAYS

Jugoslavia has many navigable waterways, the greatest being the Danube and its large tributaries. Water communication is much facilitated on the Danube and Tissa by canals, the largest—the King Peter Canal—being 123 kilometres in length. This system of waterways is of the highest importance to internal communication, and centres round the Danube. The natural centre of the whole system of water communication in the country is Belgrade.

Jugoslavia also possesses four seaports of international importance—Split, Shibenik, Dubrovnik, and Sushak—of which the first two have good natural harbours. Shibenik is protected by a narrow entrance and numerous small islands. By an arrangement with the Greek Government, the Kingdom of Jugoslavia has a free zone at the port of Salоника.

## CHIEF CENTRES

The capital of Jugoslavia is Belgrade, at the confluence of the Save and the Danube, with a population of about 240,000. This city has grown very rapidly, and has wide streets, electric light and tramways. It contains a university, museums, a national library, the old Turkish citadel, and a national theatre. The other principal towns are Zagreb (Croatia), Liubliana (Slovenia), Sarajevo (Bosnia), and Split (Dalmatia).

## GEOGRAPHICAL FEATURES

Jugoslavia is bounded on the north by Austria and Hungary; on the west by Italy, the Adriatic Sea, and Albania; on the south by Greece; and on the east by Roumania and Bulgaria. In aspect it is distinctly mountainous. It is intersected by the Alpine, Balkan, Carpathian, and other ranges; the average elevation is nearly 1,000 feet. The Rhodope mountains in parts of southern Serbia and the central part of northern Serbia are rich in mineral wealth and mineral springs; the lower slopes are forested. These features naturally have a great effect on the economic conditions of the country. Low levels with river valleys and plains occupy a little less than a quarter of the total area. Towards these plains all the large watersheds converge.

It is extremely hot in summer, and the winter, although short, is severe. The Dalmatian, or seacoast, climate is the mildest, being semi-tropical. From a commercial point of view, it is not wise to visit the country in the months from June to September, owing to the heat.

Jugoslavia has scenery to rival many of the better-known beauty spots of Europe, as well as Roman antiquities, buildings dating from the middle ages, and watering places and spas with curative springs, and in a few years' time the number of tourists who visit the country should largely increase. The Government is subsidizing tourist centres, and doing all in its power to render the various watering places and other resorts attractive to visitors.

## COMMERCIAL TRAVELLERS

All foreign visitors must register with the police, but as a rule the hotel porter will do this for guests. Commercial travellers entering the country with samples are charged a tax of 1,000 dinars per annum, but in the summer months this tax is reduced to 500 dinars.

## PUBLIC HOLIDAYS

Commercial travellers to this country should remember not only the slack summer season, but also bear in mind the large number of holidays owing to

the various religions. The national holidays are Union Day (December 1) and the King's Birthday (December 17). The following are among the more general religious holidays:—

- Epiphany Day, January 19.
- Saint Sava's Day, January 27.
- Good Friday (Orthodox or Catholic according to district).
- Easter Monday (Orthodox or Catholic according to district).
- Cyril and Methodius, May 24.
- Ascension Day (Orthodox or Catholic according to district).
- Whit Monday (Orthodox or Catholic according to district).
- Transfiguration, August 19.
- Purification of the Virgin, December 4.
- Christmas Day and the day after (Orthodox or Catholic according to district).

#### LABOUR

Jugoslavia has practically no labour troubles. The labour is all peasant. The factories, for example, engage peasants who leave their small holdings at certain seasons to supplement in factory work their meagre agricultural earnings. Wages of skilled workmen are from 45 to 100 dinars per day, and of unskilled workmen, from 25 to 45 dinars.

Emigration is tending to fall off. In 1929 only 18,189 people emigrated. Out of this total, 4,030 came to Canada. However, there was a return immigration of 5,992 to Jugoslavia in 1929. The total value of the remittances which are sent to their relatives annually by emigrants in foreign countries totals 900,000,000 dinars.

The cost of living in towns is abnormally high, because the towns have grown with abnormal rapidity. For an Eastern European country, the prices are not cheap.

#### CONSTITUTION AND GOVERNMENT

The Constitution of Jugoslavia was adopted on June 28, 1921, with a single Chamber of the National Assembly, consisting of 315 representatives. On January 6, 1929, the King abolished the Constitution and dissolved the National Assembly, taking the executive power into his own hands, which he exercised with a Dictator Government appointed on the same day. Later, on February 17, 1929, a Supreme Council of seventeen nominated members was also appointed.

## II

### Currency and Finance

On the formation, after the war, of the Kingdom of the Serbs, Croats, and Slovenes, now called the Kingdom of Jugoslavia, there were three currencies in use. Serbia had the dinar; in Montenegro there was the perper; and in those areas which had formerly belonged to the Austro-Hungarian Monarchy, the Austrian krone was in circulation. The task of unifying these currencies was complicated by the existence in the country of six billion Austro-Hungarian bank notes without metal cover. Means, however, were found between 1920 and 1925 to introduce the dinar or old Serbian system all over the kingdom. By article 273 of the Financial Law 1924-25, all joint-stock companies and societies obliged to publish accounts were compelled to keep, from January 1, 1923, their books in dinar currency, calculating debit and credit at 4 kronen to the dinar. The subsequent history of what was effected is well given in the two following short extracts from an article by Prof. Nedeljkovitch, who was at one time Chief Director of the Postal Savings Bank and General Inspector of the Department of Finance:—

By this withdrawal of kronen and their exchange for dinars, the currency problem was not settled, for if it had been a question of merely putting into circulation 1,200 million dinars, the amount actually used for the exchange of the kronen notes, in a country of steadily growing economic strength, the dinar would have maintained and even increased its value. But this was not all. The State finances suffered a four years' budgetary deficit, which was covered for the most part by the printing of paper money. Between 1920 and 1923 the State's debt at the National Bank amounted to nearly three milliard dinars,

so that the total issue, counting both the issue for the conversion of kronen and the normal issue of the bank amounted to six milliard dinars. Such a sum in money units proved too large for the needs of business, and as a result of the inflation the value of the dinar on the international markets began to fall. Two other factors influenced this fall: (a) the four years' deficit of the commercial and general trade balance; (b) the psychological result produced by political problems on the public mind, and the fear of still further inflation for fiscal, speculative, or economic reasons. Thus the rate of the dollar rose from 5·18 dinars in the first days of the liberation to 10 dinars in March, 1919; to 22 in January, 1920; to 45 in January, 1921; to 72 at the beginning of 1922; and to over 100 at the beginning of 1923. Moreover, not only did the rate of the dinar fall as compared with foreign currencies, but it fluctuated very much, and seriously affected economic life.

Nevertheless, it is becoming more and more evident that the stabilization of the dinar and the improvement cannot be maintained unless a gold standard is introduced. This has become the generally accepted opinion of all States with a fluctuating currency, and therefore the tendency of returning to the gold standard is just as general, and as strong as it was in the nineteenth century. The reform of the currency is now being widely discussed. In the meantime the problem is how to bring the paper dinar up to the gold standard, whether by raising it up to gold parity or by changing paper dinars for gold at a fixed rate (e.g. 1:10). Judging by present circumstances, the second solution would seem the more favourable.

The National Bank is not under obligation to exchange notes for specie. The discount rate of the National Bank was reduced on May 27, 1930, from 6 per cent to 5 per cent.

The National Bank is the bank of issue. It has a nominal capital of 50,000,000 dinars in coined gold, of which 28,229,100 dinars are paid up. The bank may issue notes equal to three times the amount of the metallic deposits it holds. Notes in circulation on February 22, 1930, were 5,389,532,000 dinars; gold, 95,962,000 dinars; foreign credits, 291,340,000 dinars.

#### BANKING AND CURRENCY

There are the usual banking facilities in Jugoslavia: some banks have British connections. The French, however, hold a much stronger position in banking in Jugoslavia than the British. The National Bank arranges credit facilities in the interests of export trade, and collects and supplies information regarding private banks. It also publishes a bulletin of official information which is exceedingly useful when studying the market. There is an abundance of money in the local banks, and a dearth of suitable customers. On December 31, 1927, there were 703 banks in Jugoslavia, with a total capital of 1,863,000,000 dinars and reserves of 593,000,000 dinars. The deposits totalled 7,474,000,000 dinars.

For the last two or three years the dinar, so far as exchange is concerned, has been kept steady at about 275/276 to the pound sterling. Undoubtedly, the question of its legal stabilization will have to be decided, but foreign loans will be necessary.

The dinar is the unit of currency and contains 0·29032 grains of gold. In circulation there are bank notes of 5, 10, 100 and 1,000 dinars; 100 paras equal 1 dinar; and there are metallic coins of 50 paras, 1 dinar, and 2 dinars.

### III

#### Trade of Jugoslavia in 1929

Imports of merchandise into Jugoslavia for calendar year 1929 were valued at 7,594·8 million dinars, compared with 7,735·3 million dinars in 1928. Imports under the principal classifications were:—

	1929		1928	
	Tons	Million Dinars	Tons	Million Dinars
Live stock . . . . .	184	2.6	121	1.2
Foodstuffs and drinks . . . . .	217,957	872.7	242,027	1,022.5
Raw materials and semi-manufactures . . . . .	1,040,200	1,300.0	794,416	1,281.7
Ready-made goods . . . . .	413,180	5,413.2	528,845	5,424.8

The chief imported articles, with percentage of the total imports, and the increase (+) or decrease (-) percentage over last year in parentheses, are given below: cotton textiles, 9.32 (-10.21); machinery, 7.57 (+18.21); cotton yarn, 6.34 (-1.63); woollen textiles, 4.74 (-7.41); hardware, 4.55 (-4.84); electro-technical requirements, 2.45 (+15.99); vehicles, 2.29 (-7.49); railway material, 2.15 (-43.38); leather and hides, 2.13 (-18.96).

#### LEADING SOURCES OF SUPPLY

During 1929 the chief sources of supply of goods imported into Jugoslavia were (in tons): Great Britain, 224,523; Germany, 188,927; Hungary, 184,460; Roumania, 177,277; Austria, 171,844; Czechoslovakia, 138,819; France, 66,240; United States, 42,084; Brazil, 9,702; other countries, 330,508—a total of 1,671,521 tons.

The percentage gain by Germany—11.39—was the greatest of any country.

#### CANADIAN IMPORTS INTO JUGOSLAVIA

According to Jugoslavian official statistics, imports from Canada during calendar year 1929 were:—

	Kilograms	Value
Asbestos	288,473	\$39,127 17
Automobiles (54)	.....	31,572 91
Flour (except wheat and maize flour)	47,579	3,355 35
Wheat flour	44,325	2,931 28
Inner tubes	2,026	2,483 92
Others	5,893	3,040 97
Total	388,296	\$82,511 60

The Dominion Bureau of Statistics figures show goods to the value of \$14,744 exported to Jugoslavia.

#### EXPORTS OF JUGOSLAVIAN GOODS

Total exports during 1929 amounted to 5,329,868 tons (7,921.7 million dinars), and during 1928 to 4,526,762 tons (6,444.7 million dinars)—an increase of 17.77 per cent in weight and 22.92 per cent in value. The increase is due especially to larger exports of wheat, and to a lesser extent of maize. Exports of timber, crude copper, haricot beans, and hemp also increased.

Exports in 1929 and 1928 were:—

	1929		1928	
	Tons	Million Dinars	Tons	Million Dinars
Live animals	85,125	877.1	85,626	887.3
Foodstuffs and drinks	914,641	2,861.7	324,344	1,672.7
Raw materials and semi-manu-				
factures	4,128,526	3,495.3	3,923,574	3,240.3
Ready-made goods	201,574	687.3	193,218	644.4
Total	5,329,866	7,921.4	4,526,762	6,444.7

The principal exports were lumber, wheat, eggs, raw copper, pigs, cattle, maize, fresh meat, cement, and oak sleepers.

The following table shows the Jugoslavian exports and the chief countries of destination for the year 1929:—

	Tons	Million Dinars
Italy	1,919,027	1,971.2
Austria	360,681	1,237.8
Roumania	497,430	1,025.4
Germany	127,813	675.1
Greece	342,897	584.4
Hungary	808,895	538.4
Czechoslovakia	248,734	425.9
France	88,580	316.2
Switzerland	40,795	175.5
United States	52,579	125.7
Other countries	842,435	846.1
Total	5,329,866	7,921.7

The principal goods shipped to the United States were: lumber, 15,000,000 kg.; raw copper, 1,000,000 kg.; and opium, 34,000 kg.

#### EXPORTS TO CANADA

According to the Jugoslavian official statistics, the following were the principal items exported in 1929 to Canada:—

		Amount	Value
Total exports . . . . .	pieces	16,960	\$44,516
Felt hats . . . . .	kg.	367,650	8,753
Lumber . . . . .	kg.	2,032,000	7,257
Clay . . . . .	kg.	135,270	5,579
Artificial slates . . . . .	kg.	1,000,000	3,571
Paints (powder) and other, raw . . . . .	kg.	180,000	1,303
Portland cement . . . . .	kg.	65,600	1,171
Hay . . . . .	kg.		

#### IMPORTS INTO JUGOSLAVIA

The tonnage imported from the United States was 42,084, valued at 360,-261,383 dinars (\$6,433,238.98). The principal items of interest to Canadian exporters were: automobiles, 1,076; tractors, 817,991 kg.; pork grease, 950,287 kg.; pure lard, 758,082 kg.; tires (inner tubes), 79,063 kg.; tires, 25,143 kg.; freight automobiles, 166; sewing machines, 52,139 kg.; crude wool, 92,202 kg.; reapers, 222,790 kg.; aeroplanes, 19,969 kg.; motor cycles, 142; combustion engines, 68,816 kg.; oats, 328,131 kg.; harvesters, 45,558 kg.

Great Britain leads in shipments of coal, Germany in machinery and electro-technical appliances, and Czechoslovakia in shipments of cotton and woollen textiles.

In 1929 there was an improvement in the trade balance, the surplus of exports over imports being 327,000,000 dinars.

## IV

### Natural Resources and Industries

Jugoslavia is a country rich in natural resources, in many ways parallel with Canada. It is well forested and rich in minerals, and out of a total area of 24,848,839 hectares it had a cultivated area of 11,354,405 hectares in 1927. The cultivated area was divided as follows: 54 per cent crop land, 1.1 per cent gardens, 15 per cent grass land, 25 per cent pastures, and 1.54 per cent vines. The most important crop is maize, and its value is of vital importance to the finances of the country. Jugoslavia is also a producer on a considerable scale of wheat, barley, and oats.

Jugoslavia is by no means an industrial country. Although towns are now springing up and industry is developing, the great majority of the population—in fact, 80 per cent—still follow agricultural pursuits. At certain seasons of the year many of the peasants come into the towns and industrial centres to be employed in the factories and mills. The future development of industry is encouraging, since there is a good supply of raw materials such as lumber, cement, ores and minerals, fruit, foodstuffs, and live stock. For the most part the industries cater for local consumption, the main exceptions being agricultural products, lumber, and cement, which depend upon export markets.

Jugoslavia is in a position to export wheat and flour, maize, barley, rye, oats, haricot beans, and potatoes as foodstuffs; and plums, prunes, and wine as fruit and produce. The country is rich in live stock (particularly pigs) and stock-raising produce, compared with some of her neighbours, and therefore is in a good position to export. The farmers are, however, in a backward state, and much will have to be done by the Government in order to standardize the agricultural products and to assist their export by means of a credit bank. Steps have been taken in this regard and are dealt with below under the section "Encouragement of Agricultural Exports." There are considerable quan-

tities of oak and beech wood, which is made into sleepers, besides other lumber and wood manufactures.

In industrial goods, ammonia, caustic soda, calcium carbide, cement, iron, aluminium hydrates and oxides, glue, artificial manure, paper, bricks and tiles, zinc, and beet sugar are produced. There is also a rich fish and sardine industry which could be developed considerably, and in southern Serbia there is a fairly good production of tobacco.

#### PROVINCIAL RESOURCES

*Slovenia*.—This province was formerly part of Austria. It is a mountainous territory like the Tyrol, which it adjoins. It is probably one of the most important centres of Jugoslavia for industry, the established industries being iron, textiles, leather, paper, and lumber, while coal and lead are mined extensively. There is an excellent wine produced in this area. The principal towns are Liubljana and Maribor. The language is Slavonic.

*Croatia*.—Croatia was Hungarian before the war. Although it is a farming area—from which many emigrants have come to Canada—it is also one of the chief industrial districts of Jugoslavia. All industries centre around Zagreb, while Karlovac is another large town and Sushak is the port of the province.

*Slavonia*.—This is to the east of Croatia and also was a part of pre-war Hungary. It is a lumber district, famous for Slavonian oak. Bentwood and other types of furniture are produced. Brod on the Sava, Vinkovci (a railway junction), and Osijek are all lumber centres. Sugar beet is also grown.

*Voivodina*.—Also formerly Hungarian, Voivodina is a grain-producing plain and the great centre for maize, besides other grains. The principal towns are Subotica, Sombor, and Novi Sad.

*Bosnia*.—To the south of Croatia, Bosnia, a former Austro-Hungarian province, is mountainous and devoted to agriculture and lumber. It has also some mineral wealth, iron and brown coal. The famous Bosnia plums are preserved into prunes for export. The principal city is Sarajevo. The old Turkish habits still persist; more so than in modern Turkey.

*Hercegovina*.—This province was formerly Austrian. It is served only by a narrow gauge railway, and is the most desolate tract of the country. However, it produces some good tobacco and wine. Its capital is Mostar.

*Dalmatia*.—This was also an Austrian province. It is the Florida of Jugoslavia, and is developing a good tourist trade. Undoubtedly, this new resort for Jugoslavia will attract more and more American visitors when hotel conditions and roads are improved. Split is the principal town and port, while Dubrovnik is also an important town. Dalmatia is a narrow rocky piece of land between the sea and a mountainous hinterland, with a subtropical climate. Vines, olives, figs, and medicinal plants are cultivated. The fishing industry could be much developed. The cement and carbide industries are well developed and bauxite mining is of first importance.

*Serbia*.—There are two Serbias—North (pre-war) and South Serbia. North Serbia, with its southern boundary near Vranje, has Belgrade as its only large town. It is a great maize country. Textiles have been produced for many years, and there are important mines of copper and brown coal. Southern Serbia, formerly Serbian Macedonia, extends to the Greek, Bulgarian, and Albanian frontiers. This part of the province has mineral wealth, and tobacco, opium, and cotton are cultivated. Its principal town is Skoplje.

*Montenegro*.—This is a barren country interspersed with forests and no railways cross it as yet. The chief town is Podgorica.

#### MINING AND MINERALS

Certain areas of Jugoslavia are rich in minerals, but as yet they have only been scratched.

The following résumé of the chief mining and smelting industries gives the amount of production for the first half year, January to June, 1929—the latest available figures:—

*Coal.*—Three types of coal are produced in Jugoslavia—hard, brown, and lignite. The production of hard coal for the first half of 1929 was 192,209 tons. A considerable amount of briquettes are made of this coal, chiefly for the railways. Production of brown coal amounted to 1,981,195 tons; this is chiefly consumed by the railways and local industries. Lignite coal, of which 492,825 tons were mined, is chiefly consumed in local industries.

The production in tons of other metals of importance was as follows: zinc, 367 (nearly all exported); antimony, 514; antimony regulus, 39; pyrites, 24,370; iron ore, 181,399 (exports, 162,924); crude iron, 16,666; manganese ore, 1,474; chrome, 13,901; bauxite, 39,398; magnesite, 2,860 (nearly all exported); plaster of Paris, 655; marble, 1,265; copper ore, 180,932 (exports, 10); crude copper ore, 9,502 (nearly all exported); crude lead ore, 3,019 (mostly exported); concentrated lead ore, 7,587 (exports, 891).

#### ENCOURAGEMENT OF AGRICULTURAL EXPORTS

One of the main objects of the new Government of Jugoslavia is to encourage the exports of agricultural products. This is to be done by the system of standardization and grading of agricultural products and by the opening of an agricultural credit bank. During the fiscal year 1930-31 a credit up to 50,000,000 dinars of surplus Government revenue was placed at the disposal of the Ministry of Commerce and Industry in this connection.

#### AGRICULTURAL PRODUCTS

Jugoslavia is primarily an agrarian country, with the highly industrialized countries of Austria, Czechoslovakia, and Hungary on its northern boundaries. The formation of the new kingdom after the war broke the old tradition of agricultural management, and was so radical in its change that it will take some time before its strength as an exporting country can really be appreciated.

The export of the famous Jugoslavian prunes and Pirot carpets are a very small fraction of the country's possible future developments and exports.

## V

### The Market in General Terms

Reliable figures for Canadian importations into Jugoslavia are, for various reasons, difficult to obtain. For example, a number of Canadian manufactured products and some foodstuffs, such as canned salmon and canned lobster, are imported into Jugoslavia through the free port of Hamburg. Lack of direct communication undoubtedly hinders the growth of the commercial relations between Canada and Jugoslavia. Sales are restricted to a few commodities, but a résumé of the market in general terms may perhaps offer suggestions to Canadian exporters and give rise to new business.

#### CEMENT

Jugoslavia has a strong domestic production and a large export trade in cement. There are some fourteen factories, with a possible production of over 1,000,000 tons per annum. The largest factory is at Split; the second largest in Dalmatia. Twenty per cent of the domestic production is said to suffice for the national requirements. The deposits contain from 72 to 78 per cent of pure carbonate of lime, and on the Dalmatian coast extend 70 miles, and have a depth in places of over 100 yards. Exports of Portland cement in 1929 totalled 459,725,214 kilograms, the following being the principal countries of destination:—

	Kg.		Kg.
Egypt . . . . .	109,572,715	Straits Settlements . . . . .	20,158,356
Greece . . . . .	56,108,540	Turkey . . . . .	18,808,925
British India . . . . .	29,987,420	Chile . . . . .	17,613,000
Canary Islands . . . . .	26,409,500	Syria . . . . .	16,840,660
Tripolitania . . . . .	25,765,000	Italy . . . . .	14,022,240
Albania . . . . .	24,016,734	Morocco . . . . .	12,155,000

## CHEMICAL PRODUCTS

The bulk of the ammonia and preparations of ammonia used in Jugoslavia are imported from Austria—109,060 kilograms out of a total of 156,910 kilograms in 1929. Austria and Germany supplied practically the whole of the sulphate of ammonia, which amounted to 388,991 kilograms. Metallic arsenic is chiefly imported from Germany, as are permanganate of potassium and bichromate of potassium; in the latter product the United States does some business.

Generally speaking, imports of chemicals are divided between Austria, Germany, and Czechoslovakia. Rapid and cheap transportation, and the nearness of these countries to Jugoslavia, make competition very difficult except in those specialized chemicals which are outside the production of these countries, as for example natural nitrate of sodium, which comes from Chile. There is a certain demand for high explosives. A leading English firm in Jugoslavia are anxious to hear from Canadian exporters who are free to ship outside the English and European explosive combines.

The domestic production of chemicals covers a wide range of products, and is largely in foreign hands. A Bosnian factory produces ammonium carbonate, sodium carbonate, and caustic soda. Another firm in Bosnia produces calcium carbide, and does an export business in that product as well as in cyanamide, ferrosilicium, manganese of iron, and chloride of lime, and to a small extent in dichloretyline, trichloretyline, and tetrachloretyline. A German company in Slovenia produce sulphuric acid, hydrochloric acid, crystallized soda, glauber salts, and superphosphates. Aluminium oxides and aluminium hydrates as well as aluminium are produced in Liubljana. One of the largest wood distillation companies in Europe is at Teslitch, in Bosnia, and in addition they produce formaldehyde and acetone. Several other companies producing sulphuric acid and wood distillation products also make cyanamide and calcium carbide. The big Dalmatian hydro-electric works, now in French hands, are large producers of calcium carbide. Zincarnia, Limited, which produces zinc, zinc plates and copper sulphate was one of the Austrian Government properties, but was handed over to the Jugoslavian Government after the late war, and was turned later into a private company.

The principal chemical products exported are sodium ammoniate, caustic soda, and calcium carbide, the figures for 1924 being respectively 19,385,965 kilograms, 2,500,873 kilograms, and 18,010 tons.

The factories of the Dalmatian hydro-electric undertaking are at Sibenik, where the falls of the river Krka are utilized, and at Dugirat, where motive power is obtained from the falls of the river Tsettina. Paints and aniline dyes are produced in the country, as well as gelatine and glue. Salt is a Government monopoly, the country's sources of supply being the brine springs at Kreka, Bosnia, and sea water evaporation. Domestic production, however, is not sufficient for local needs, and there are imports.

There are considerable imports of soap. The principal sources of supply for toilet soap are France, Germany, Austria, and Great Britain, followed by Hungary; other kinds are supplied chiefly by Austria and France. Imports of toilet soap in 1929 totalled 39,792 kilograms, and of common washing soap 141,422 kg. Small importations from the United States are included in the returns. Domestic manufactures have increased, thus diminishing importations.

## CHINA AND GLASS

There is a production of china for local needs. Large importations come from Austria and Germany; in majolica, Czechoslovakia competes with Austria.

The two chief factories in Jugoslavia are l'Industrie Céramique and the Novi-Sad porcelain and majolica factory. The United glass works of Slovenia have four factories, and there are also the Daruvar glass works in Croatia, and the Parat Chin in Serbia. The three principal countries supplying Jugoslavia with glass are Germany, Austria and Czechoslovakia, in the order named.

#### CLOTHING

*Women's Garments.*—In addition to domestic production, the famous Bemberg artificial silk firm do a large trade in underwear and stockings. The American firm of Kayser, who advertise largely, also do some business in ladies' stockings. Women's artificial silk stockings from Germany range retail from 26 to 105 dinars; the best Bemberg can be bought for 100 dinars. Women's artificial silk knickers are around 55 dinars for the best quality, and brassières are sold retail at 30 dinars. Women's shoes are either Austrian or of domestic manufacture or—in the case of the highest quality—French. Bally shoes for women in brown range from 395 dinars retail, and Viennese Peko shoes at from 195 dinars up. Domestic manufactures suffice for the peasant class—80 per cent of the population; among the other sections of the population there is a large trade in bespoke goods. The various national dresses for the peasant class are still in vogue; the wearing of ordinary European clothes is limited chiefly to the towns.

*Men's Wear.*—Men's socks of the cheapest quality cost from 8 to 24 dinars, and artificial silk socks from 35 to 90 dinars, but few are sold at the latter price. Ties of the cheaper quality from Austria and Germany range from 14 to 20 dinars. Men's cloth caps retail from 35 to 75 dinars, and felt hats of the cheaper grades from 65 to 250 dinars. Well-known makes of hats, such as the Habig from Vienna and the Borsalino, are also on sale for the better-class trade. Large quantities of goods are imported from Vienna, such as the Zako collar. Poor-quality shirts are 80 dinars; good quality, double that price. A brand called the "For Ever" men's shoes costs 320 dinars retail. During the old Austro-Hungarian régime, there was a large business in straw hats produced in Slovenia, but this trade has been badly hit by the change in the political boundaries. There are some ten factories in the country. Mackintoshes are made in Zagreb, but the best (for men's wear) are imported from England.

#### ELECTRICAL GOODS

There are three factories in Jugoslavia turning out electric lines—one at Novi-Sad, another at Zagreb, and the third at Koprivnitzia. These firms produce, amongst other goods, electric tubes, conduits, Bergmann tubes, porcelain insulators, and various other materials for installations. Domestic production is insufficient for the national needs. The electrical business is chiefly in the hands of the Germans and Austrians. Unless Canadian firms were prepared to send experts to that country to introduce their lines, competition would be very difficult.

The following brief tables will show the chief countries of origin for dynamos, accumulators and electric motors in 1929, divided into three classes: (a) those weighing more than 3,000 kilograms per piece; (b) those weighing between 500 and 3,000 kilograms per piece; and (c) those weighing under 500 kilograms per piece.

	Kg.		Kg.
(a) Austria . . . . .	72,485	(c) Germany . . . . .	150,445
Germany . . . . .	64,956	Austria . . . . .	104,694
Czechoslovakia . . . . .	46,643	Czechoslovakia . . . . .	91,534
Italy . . . . .	45,163	Hungary . . . . .	39,339
Total . . . . .	229,247	Total . . . . .	386,012
(b) Germany . . . . .	130,728		
Austria . . . . .	81,240		
Czechoslovakia . . . . .	46,076		
Total . . . . .	258,044		

The predominance of Germany is largely due, not only to the initiative of her manufacturers in sending experts to this country, but also to the advantage that country enjoys under the reparations scheme. Once a line of electrical goods is installed, it is difficult to displace it, unless as good a service and as complete a range of articles can be offered. After Germany, the second country of origin is Austria.

Transformers are divided, for customs purposes, into (a) those weighing up to 1,500 kilograms; and (b) those weighing more than 1,500 kilograms. The following figures are the total imports, with the chief countries of origin:—

	Kg.		Kg.
(a) Austria . . . . .	91,228	(b) Germany . . . . .	33,894
Germany . . . . .	42,330	Austria . . . . .	27,539
Hungary . . . . .	20,551	Italy . . . . .	13,731
Total . . . . .		Total . . . . .	
	154,109		75,164

Importations of condensers and accumulators in 1929 were 46,235 kilograms, of which the United States is credited with 582 kilograms.

Electrodes for accumulators are principally supplied by Germany and Austria; imports in 1929 were 90,799 kilograms, of which Austria supplied 43,916 kilograms, and Germany 25,320 kilograms.

Electric appliances for telegraphs and telephones, such as microphones, etc., are supplied chiefly by Hungary and Germany. Imports in 1929 were 36,459 kilograms. The trade is almost equally divided between these two countries.

Measuring instruments and meters are chiefly supplied by Germany, Hungary and Switzerland. Importations in 1929 were 75,908 kilograms, of which Germany supplied 38,843, Hungary 13,665, and Switzerland 13,038 kilograms.

Austria and Germany supply all the arc lamps. Germany is credited with 1,276 kilograms of incandescent lamps out of a total of 1,406 kilograms. Other types were chiefly supplied by Hungary, Germany, and France, the imports totalling 99,304 kilograms, of which Hungary supplied 51,682 and Germany 19,404 kilograms.

Transmission cables for electric current were chiefly supplied by Austria and Germany, Austria supplying 256,715 kilograms, Germany 238,736 kilograms out of a total of 620,000 kilograms.

Generally, it may be said that there are no great central power stations in Jugoslavia. Electric current is supplied by about 400 small stations, of which 70 per cent are hydro-electric and 30 per cent thermo-electric. Production in 1927 was estimated at 300,000 horse-power. The principal stations are those at Fala (Slovenia), Zagreb, Belgrade, and Jaitze in Bosnia. Electric development is in its infancy. The country probably could consume four times more than it actually produces at the present time. In Belgrade a new and larger power station is desired. It is estimated that 3,500,000 horse-power could be produced from white fuel, and thermo-heated stations could utilize the lignite coal deposits. Electric consumption per head in Jugoslavia is estimated at 8 kilowatts as against 179 in Austria. Various transmission schemes are under project such as the one joining Zagreb to Karlovac. In the latter locality it is estimated that a power station could be installed with a capacity of 15,000,000 kilowatts per hour.

From the above it will be seen that domestic production is limited, and the importation of various machines and electric material feasible, provided that German and Austrian competition can be met. What is wanted in machinery and appliances is the V.D.E. (Verband Deutsche Elektroin-genieure) type, because practically everything in Jugoslavia is based on the German style of electrotechnical needs. The general current is the normal German one of 110 to 220 volts.

As has been already stated, as far as imports from Canada are concerned, however, the main competition is from Germany and Austria, who have the advantage of cheap transportation down the Danube water system to Belgrade. Stocks are maintained by the foreign companies in the market, and in the case

of the principal, installation and repair service is given. Retail sales are effected by means of agents or the large stores. Only through a combined office operated on behalf of the various Canadian electrical manufacturers stocking a wide range of products, and prepared to grant extended credit terms, would it be possible to offer effective competition.

#### HARDWARE

Among hardware products manufactured locally the following are included: agricultural implements, bells, iron utensils and furniture, files, locks, saws, scales, scythes, and wire and metal thread. In pliers, saws, saw blades, pruning tools, knives and scissors, imports from Germany have predominated. On the other hand, anvils, axes, hammers, certain types of picks, scythes, reaping hooks, files, drills, as well as certain types of hoes, picks, rakes, forks and spades, are chiefly imported from Czechoslovakia. Cheap water transportation from Germany and the comparative proximity of Czechoslovakia, together with intimate knowledge of the market, are the principal factor in preserving this market for Central European exporters. The following were some of the importations from the United States in 1929: light hammers, 27 kg.; pliers, 10 kg.; drills, 3,365 kg.; files, 14,972 kg.; iron plates and pipe cutters, 9 kg. One firm which does most of the business in lawn mowers inquired as to Canadian prices. A trade inquiry was also received for aluminium ware—in which competition would be against German spun aluminium ware—and another for grinding wheels.

#### IRON AND STEEL

Ferro-manganese was imported in 1929 to the extent of 2,181,977 kilograms, of which over 50 per cent was supplied by Czechoslovakia. Imports of steel are chiefly from Austria—7,511,085 kilograms out of a total of 7,782,902 kilograms in 1929. Austria is predominant in most lines of this type, including plates. In certain products, however, Czechoslovakia, which has a highly developed industry with a 50-per-cent surplus production, has a large share in the business. The domestic metallurgical industry includes iron ore smelting and unwrought iron, and iron and steel manufacture; Bosnia in particular has a well-organized enterprise. Smelting is done to a small extent in blast furnaces at Vares in Bosnia and at Vranovina in Croatia. The industry at Vares is state-owned and has two blast furnaces with a maximum annual capacity of 54,000 tons of smelted and unwrought iron. The firm at Vranovina is the Topusko Mines and Foundries, Limited, with one blast furnace. There is a steel-rolling mill at Ravne, Slovenia.

#### LEATHER

In spite of domestic production of certain types of leather in Jugoslavia, there is some importation. In 1929 the importation of croupons totalled 87,377 kilograms, chiefly from Austria, Czechoslovakia, Hungary, and France. The United States is credited with 480 kilograms. Other types of sole leather were imported to the amount of 216,412 kilograms from Czechoslovakia, France, Austria, Germany, Hungary, Belgium and Great Britain (United States, 718 kilograms). Russian leather was chiefly from Austria, and France does a fair business in certain types. In box calf, 57,166 kilograms were imported in 1929, chiefly from Austria. The small imports of pigskin were chiefly from Germany: in this product there was at one time a strong local production. Kid leather was imported to the amount of 53,838 kilograms; the principal sources of supply were: Austria, 21,535 kg.; Germany, 12,833 kg.; Great Britain, 8,976 kg. (United States, 1,768 kg.). Other types of fancy leather, such as antelope, morocco, and doeskin, were imported to the amount of 32,460 kilograms, nearly 50 per cent from Austria.

Vienna is a great leather centre, and the predominance of Austria in the Jugoslavian leather market for the finest types is natural. In lacquered leathers, including patent, 46,403 kilograms were imported (Germany, 27,242 kg.; Austria, 11,007 kg.). The United States is credited with 98 kilograms. Importers in Zagreb stated that North American patent leathers were highly appreciated.

Interest was expressed in seeing the types that Canada could produce, provided they could compete in price. Imports are not large, but there is a regular business. A well-known Boston firm holds the bulk of the American trade both in patent and box calf. Fancy calf leathers are chiefly imported from Germany. There is a very small importation of artificial leather.

The domestic production of leather has been retarded chiefly owing to the large export trade in hides and skins of cattle, calves, sheep and goats, lambs and kids, and wild animals. There are only 50 tanneries in the country, and only half of these are of any size. The main centres are in Slovenia and Croatia. A few of these tanneries import skins.

There is a fairly large production of boots. The factory at Zagreb is said to produce 300 pairs daily; the largest in Liubliana, 600,000 pairs per annum. A number of leather suitcases and handbags are manufactured at Zagreb, and also in Slovenia. One factory produces leather gloves. The nearness of Vienna, and the excellence of the leather bags and travelling gear made in that city, naturally has an effect on the market, in spite of duties which protect the home industry.

Shoes are imported from all the chief producing countries. The United States does a small business in certain lines. The excellent production of the Czechoslovakian factories, however, which retain nearly 70 per cent of the old leather industry of the Austro-Hungarian Empire, permits the footwear of that country to enjoy a predominant place in this market.

#### LUMBER

Although a little lumber is imported from surrounding countries, Jugoslavia is essentially an exporter. It is estimated that nearly 30 per cent of the total area is under forests; ownership varies greatly in different parts of the country. In Slovenia and Dalmatia there are private forests, and in Croatia municipal forests. Of the total forest area, it is estimated that about 4,800,000 hectares, or 65 per cent, are occupied by deciduous trees; over 1,000,000 hectares, or 14 per cent, by conifers; and the remainder of over 1,500,000 hectares, or 21 per cent, by mixed forests. Conifers predominate in Slovenia, and they are also general in Bosnia, Western Croatia, Western and Central Serbia, and Montenegro. Slavonia has been noted for its oaks and beeches, Bosnia for its pines, and Slovenia for its larches. The lumber in Dalmatia is of the small Mediterranean Macchia or bush type. The commonest of the deciduous trees is the beech, representing 60 per cent of the growth in Serbia and 45 per cent of the growth in Croatia and Slavonia. This is the most important industrial tree in the country. In quality, Slavonian oak, with its world-wide reputation, stands first, but heavy cutting has reduced its area considerably. Slavonian oak is highly regarded in the British market, where it is used for wainscoting, paneling for railway carriages, flooring strips, and squares. There is a good stock of ash, maple, elm, and hornbeam. In swamp lands the willow, alder, and poplar are to be found; in the south-centre, chestnut and acacia; and in the south, palms, cypress, and olives.

The importance and extent of the lumber industry can be gauged from the fact that the exports have turned the scale in the national statistics from a deficit to a favourable balance of trade, and representing as it does one-third of the value of all the industries. In 1920 exports of forest products amounted to 915,186 tons; in 1928 to 4,526,762 tons. Imports weigh approximately 33 per cent of the exports.

The principal exports are: (1) building timber (1,399,164 metric tons in 1929); (2) wood for fuel (656,434 tons); (3) railway sleepers (2,719,528 pieces of oak and 531 tons of beech); (4) wooden goods (57,270 tons).

The first steam lumber mills were erected in Slavonia in 1862. The high-water mark in the export of oak staves was reached in the last decade of the nineteenth century, when 60,000,000 were shipped annually for wine barrels, mainly to France, Spain, Italy, and Portugal. At the same time steam mills first came into existence in Bosnia, and exports developed rapidly. Large shipments of sawn planks, etc., for building purposes were made from Bosnia before the war. Serbia established her first modern saw-mill in 1901. There are 315 large modern mills and 2,450 small water mills in operation in Jugoslavia. The largest mill is in Bosnia, with 26 frames. Other large installations have 24 frames. It is estimated that the wood industry regularly employs 80,000 persons, and as many as 100,000 during the wood-cutting season. In 1921 exports of wood and wood products represented 7.6 per cent of the value of the total exports; they rose to 17.65 per cent in 1929.

Before the war Vienna and Budapest, as is well known, were extremely important European lumber markets for hard and soft wood; Croatian and Bosnian firms used to have their headquarters in Vienna. Owing to the break-up of the Austro-Hungarian monarchy there has been an entire change, although the large stockholders in and officials of the companies are naturally bound by the old ties to these markets. Besides sawn lumber, there are factories producing paraquet flooring—mainly of oak—seven in Croatia and five in Slovenia. There are at least five establishments producing wood veneering, and there are a number of wood-pulp factories. Wooden shoes are produced annually to the extent of 500,000 pairs by three factories, and there is a production of 250,000 wooden heels per annum. There are over twenty factories producing boxes and crates, chiefly in Croatia, which is also the chief province for barrels. There are a number of establishments, chiefly Croatian, engaged in the manufacture of furniture; five produce bentwood furniture, similar to that produced in Czechoslovakia.

From the above summary of the situation it will be seen that there is small scope for Canadian exports of lumber to Jugoslavia.

The Jugoslavian lumber industry is going through a critical period. The demand for Slavonian oak for railway carriages, etc., has temporarily fallen off, and competition from Russia is keen. Owing to American competition the demand for beech by automobile chassis builders in Europe has fallen off and export markets for firewood have also declined.

#### MACHINERY

While certain well-known makes of British machinery are on sale in Jugoslavia, such as Lister's engines, the machinery that is being shipped from Germany to Jugoslavia on the reparations account makes it difficult to sell other than highly specialized products which are not manufactured in Germany. For example, when a fire engine was recently purchased for Belgrade, it was imported from Germany on reparations account. On the other hand, the purchase of road-making machinery would naturally be in the hands of those firms who obtain contracts, on tender by the Jugoslavian Government, to build roads; and in the event of a foreign company obtaining the contract, they would naturally import machinery from their own country. In other cases, deliveries are made under the reparations scheme. There would seem to be an opportunity for Canadian concrete mixers, provided a suitable agent can be obtained. The cheapest cement mixers on sale in the country are of a well-known French make. Again, there is some opportunity of doing business, from time to time, in stone crushers. It is often necessary, when tendering in this connection, particularly for Government work, to make them out in German. The usual type is a one-motor stone crusher, of a capacity of from 4 to 5 cubic metres per hour, fitted with an engine of 15 h.p. A German firm in Stuttgart supplies a machine like

this for 174,000 dinars franco Sarajevo, inclusive of customs duty which amounts to 3·30 dinars per kilogram. As a rule, local firms want machinery to be quoted c.i.f. to a port like Dubrovnik, the weights and sizes of the machines being indicated when quotations are made, in order that the local importers can calculate the amount of the customs duty and also the freight from the frontier to the inland point of destination. The latter points are of great importance in the quotations for all machinery, and should be noted by exporters. There should be, at some later date, an opportunity for establishing cold storage plants for some of the municipalities. Machinery is sold largely to concessionaires. There might be an occasional opportunity for pulp machinery; the only way to get this business would be for manufacturers to obtain a connection with the local importer with adequate means for handling such business. Another type of machine that might be used by the Ministry of Agriculture, through a local agent, is a machine which would throw up dikes or dams in marshy ground. All types of well-known cash registers, typewriting and calculating machines are already on the market, but the demand is very limited. Germany is the chief source of supply, followed by the United States. Sewing machines were supplied by Germany and Great Britain, the former with over 50 per cent, whilst the latter, supplying a well-known American sewing machine, did practically the rest of the business. Knitting machines come chiefly from Germany. Czechoslovakia and Germany supply practically all the textile machines. Printing machinery is practically divided between Germany and France. Locomotives are chiefly divided between Germany, Hungary and Austria. Germany handles the central heating machinery requirements. The nearness of these countries has already been emphasized in this report, and the great value of the Danube and its water system, as a trade artery, reduces the cost of shipment, particularly from Austria and Germany.

A few steam economizers were imported, chiefly from Germany, Hungary and Austria. Steam prime-movers other than locomotives are chiefly imported from Czechoslovakia. The United States does the largest business in tractors. There is a certain demand for steam and other pumps and for combustion engines. These are chiefly imported from Germany and Czechoslovakia. (The United States, in 1929, is credited with 68,816 kilograms.)

The business in hydraulic motors, turbines, etc., is chiefly German. In the case of air compressors, the United States follows Germany in supplying the demand; there are but a few shipments from Great Britain and Austria. Germany supplies the bulk of the paper-making and sugar machinery. For chemical balances, Germany does the bulk of the business, but in the heavier weighing machines for general merchandise, Austria holds the market.

#### MEDICINAL PRODUCTS

The prevailing maladies in Jugoslavia are tuberculosis, scrofula, anaemia, and venereal diseases. Malaria has been the cause of some trouble, and the Health Ministry in order to combat it has provided a series of travelling clinics. The doctors in Jugoslavia, particularly in the north, have usually studied at the famous clinics of Vienna, and, to a less extent in the south, in those of France. Consequently, these influences have largely affected the type of goods imported. Doctors trained in Vienna naturally want Austrian or German products. For example, in the case of rubber surgical gloves, it would be difficult to import North American goods. First of all, the doctors do not know them, and therefore they probably prefer to buy the cheaper German products. There are only two factories in Jugoslavia for the production of pharmaceutical and synthetic medicines, one at Karlovac and the other at Zagreb. Consequently, Jugoslavia has to depend very largely on imports. The imports of some of the principal lines in which Germany holds a predominant place in the market were

as follows in 1928: artificial balsam, extracts, essences, etc., containing ether and alcohol, 37 quintals; organic chemical and pharmaceutical products, 1,593 quintals; prepared medicines and prepared pharmaceutical chemical products, 1,067 quintals. The German factories send representatives to Jugoslavia who also look after advertising, and keep closely in touch with the hospitals, sanatoria and doctors. To import North American products, it would be necessary first to undertake propaganda amongst the doctors.

All preparations should have marked on them, the time of preparation and the duration of their keeping properties. Instructions must be printed in the Serbian-Croatian language, and it would be as well if they appeared also in French and German. To allow importation into Jugoslavia, samples must be sent to the State Chemical Laboratories for analysis. It is essential to have as local representatives holders of diplomas in pharmacy.

(Information on the requirements for importation of medical specialties, poisons and drugs, including the tariff, is on file at the Department of Trade and Commerce, Ottawa, and may be obtained on application.)

#### MUSICAL INSTRUMENTS

The manufacture of musical instruments is limited to small factories. One of the chief is at Zagreb, which produces a kind of local guitar with four cords, and with the keys on one side of the instrument. This is the national Croatian instrument; the factory referred to has an annual production of nearly 30,000 pieces. There is also a factory at Sissak, which produces about one-third of that number. Domestic production practically suffices for the demand.

The most important instrument imported into Jugoslavia is the piano. Importations in 1929 totalled 641 (Austria, 454; Germany, 128). Forty-one harmoniums were imported, of which 33 were from Germany; 5,503 kg. of organs and parts, of which 4,444 kg. were from Austria; 31,737 violins (Germany, 25,413); and other musical instruments, 5,562, of which 3,467 were from Czechoslovakia. Mechanical musical instruments (812 kg. in 1929) are chiefly imported from Austria. Cylinders, rolls, discs, etc., are chiefly German.

Credit conditions depend upon the type of instrument and the relationship between buyer and factory. Generally, four to six months is granted. Discounts are allowed for cash. As a rule three months' credit is given in Zagreb; if longer, interest is charged at the rate of 6 per cent. For pianos a guarantee of five to ten years is usual.

Advertising is very limited, and is chiefly through personal contact.

#### PAPER

In 1905 a pulp factory was established at Drvar, Bosnia, with the aid of Swiss and Austrian capital. Up to the war this factory produced about 14,000 metric tons of cellulose per annum, but in 1914 production was increased to 18,000 tons, which made it possible to export. The paper factory at Vevtchu, Slovenia, has in addition a pulp mill which will soon be able to produce about 14,000 kilograms a day. The Zagreb Paper Factory Limited now also owns its own pulp mill, which produces 4,000 tons per annum. Thus about 27,000 tons of wood pulp per annum is the national production; the market requirements are 17,000 tons. Exports in 1921 were 1,500,000 kilograms; and in 1929, 12,395,685 kilograms, of which nearly 50 per cent went to the United States. France and Belgium are also large buyers of Jugoslavia pulp, followed by Italy. The factory at Drvar in Bosnia is credited with practically all the exports. This is because the local paper mills are in the north, and this factory is in the south, with a difficult rail haul to them. Consequently, there are some importations of pulp from Austria and Czechoslovakia. For that reason, in the Jugo-

slavia treaty with Austria cellulose is free of import duty. During 1929 Austria shipped to Jugoslavia nearly 20,000,000 kilograms out of a total importation of 23,829,425 kilograms.

The paper industry is highly protected, and in time the country may be able to supply all its own needs. When the import duty on rotary-machine paper was lowered to 1 gold dinar per 100 kilograms the Vevtchu-Medvoda factory—which used to make this type of paper—found itself unable to meet foreign competition, and it has now gone into pulp manufacture. The Zagreb paper factory is installing machines for kraft. Probably the best laid-out paper factory is the Milan Vapa factory in Belgrade, which will soon have a maximum capacity of 4,000 tons per annum, manufacturing medium and fine writing paper. The Smith and Menier paper factory at Sushak produces cigarette paper, tissue paper, carbon paper, copying paper, and book paper. A new factory has been built at Tchakak, Serbia, for the production of writing papers.

The industry is going through a period of reorganization. Production in 1928 totalled 22,224 metric tons; the present capacity is 40,000 tons. The developed horse-power in 1928 was 9,504, and the number of workers employed was 2,220.

The exports of paper from Jugoslavia in 1929, with the principal countries of destination, were:—

*Wrapping Paper*.—Exports, 24,409 kg. (Italy, 23,177 kg.).

*Printing Paper* (not glossy).—1,313,448 kg. (Italy, 1,237,482 kg.).

*Printing Paper* (glossy).—198,481 kg. (Italy, 83,668; Hungary, 78,398).

*Others*.—1,778,013 kg. (Italy, 1,604,506 kg.).

*Drawing Paper*.—57,459 (all to Hungary).

*Writing Paper*.—667,871 kg. (Bulgaria, 454,636 kg.; Italy, 202,749 kg.).

*For Playing Cards*.—97,236 kg. (Austria, 95,702 kg.).

*Silk Paper*.—4,816 kg. (Great Britain, 3,319 kg.).

*Cigarette Paper*.—193,885 kg. (Roumania, 115,919; Italy, 73,710 kg.).

*Paper*, in rolls.—281,207 kg. (Italy, 102,930; Argentine, 61,174; Roumania, 49,827 kg.).

*Emery Paper*.—215 kg. (Austria and Germany).

*Indigo Paper*.—14 kg. (Hungary and Austria).

*Carbon Paper*.—7,678 kg. (Great Britain, 7,663 kg.).

Exports of printing paper are said to be increasing rapidly; those of writing paper and packing paper not nearly so fast. The production of rotary paper is insufficient for the country's needs. First of all, the Jugoslavian rotary paper factories are not members of the International Cartel; and secondly, the domestic wood is said to be too dear for them to compete against the Cartel, and some efforts have been made to raise the customs duty on this product.

Imports of paper, with the chief countries of origin, in 1929, were:—

*Cardboard* (in sheets or rolls).—1,145,510 kg. (Austria, 610,570; Czechoslovakia, 403,654; Germany, 59,497; Poland, 42,187; United States, 17,972 kg.).

*Cardboard* (corrugated, pleated and the like).—28,779 kg. (Austria, 19,772 kg.).

*Asphalted or Varnished Paper*.—205,879 kg. (Czechoslovakia, 166,690 kg.).

*Cardboard* (coated with white or other colours).—338,036 kg. (Austria, 114,730; Czechoslovakia, 100,380 kg.).

*Blotting Paper*.—118,362 kg. (Austria, 51,397; Czechoslovakia, 36,063 kg.).

*Wrapping Paper* (rough, natural colour).—1,101,797 kg. (Austria, 759,273; Czechoslovakia, 127,472; Italy, 106,317 kg.).

*Wrapping Paper* (smooth and coloured).—538,701 kg. (Czechoslovakia, 197,800; Austria, 185,064 kg.).

*Wrapping Paper* (smooth on one side only).—799,615 kg. (Austria, 394,165; Czechoslovakia, 269,439 kg.).

*Wrapping Paper* (others).—1,382,562 kg. (Czechoslovakia, 628,435; Austria, 563,113 kg.).

*Printing Paper* (for rotary).—5,515,986 kg. (Austria, 4,207,504; Czechoslovakia, 1,307,882 kg.).

*Printing Paper* (others).—815,123 kg. (Austria, 778,406 kg.).

*Printing Paper* (glossy finish).—2,322,246 kg. (Austria, 2,221,508 kg.).

*Printing Paper* (gummed).—46,195 kg. (Austria, 26,699; Germany, 13,881 kg.).

*Printing Paper* (not gummed).—50,107 kg. (Austria, 49,139 kg.).

*Printing Paper* (others).—965,696 kg. (Austria, 820,695 kg.).

*Writing Paper*.—963,849 kg. (Austria, 787,718; Czechoslovakia, 162,805 kg.).

*Paper with Designs Printed or Stamped*.—225,999 kg. (Austria, 169,057 kg.).

*Heavy Silk Paper*.—116,857 kg. (Austria, 79,748 kg.).

*Cigarette Paper* (in rolls).—4,551 kg. (all from France).

*Emery Paper and the Like*.—146,557 kg. (Germany, 134,692; United States, 1,067 kg.).

*Indigo Paper, Carbon Paper, Oiled Paper, Hygienic Papers*.—27,721 kg. (Austria, 17,939 kg.).

*Parchment Paper*.—202,456 kg. (Czechoslovakia, 92,307; Austria, 70,427 kg.).

Wrapping and printing paper, it will be noted, are the principal imports, and a number of cheap bronze, gilt and silver paper, of which there is no domestic production, are imported from Germanic countries. It is anticipated that imports of writing paper will fall with increased home production. The large imports of printing paper were rather due to political changes in the country, which usually mean a larger number of newspapers. The great interest shown in Jugoslavia in politics—the usual topic of conversation among men—is also one of the chief reasons for selling newspapers. Practically all the papers in Belgrade are in Serbian. In Zagreb there are one or two German organs.

#### PLAYING CARDS

Although there is a domestic production of playing cards, they are also imported, almost solely from Austria. Imports in 1929 were 10,558 kilograms. The principal duty on playing cards is the stamp tax (100 dinars per pack). The item in the customs tariff under which playing cards are imported is No. 459, and the minimum rate, applicable to Canada, is 250 gold dinars per 100 kilograms. Playing cards may be imported only through custom houses in Belgrade, Zagreb, and Liubliana.

#### SILOS

A series of silos on the latest German model is to be installed in the neighbourhood of Belgrade for handling grain, etc. In order to get into this market, as in so many Mediterranean markets, it is necessary to arrange for financing. Capital investments for concessions of this nature account for the large American and French importations; Germany obtains her business on reparation account. Striking examples of the investment of foreign capital are in Jugoslavia, the French investment in the Dalmatian hydro-electrical industry, and the Belgian investment in the Jugoslavian Cement Company.

#### TOYS

About half a dozen factories in Jugoslavia, all in the north, are producers of toys. These concerns are quite modern and have been erected since the establishment of the kingdom. Production is limited to wooden toys; imported toys are chiefly from Germany, and are for the most part mechanical. Germany supplies about 60 per cent of these lines, in mechanical dolls, stuffed dolls, celluloid toys and games.

#### MISCELLANEOUS

American cinematograph films are chiefly shown in Jugoslavia, and this applies also to the "talkies."

In regard to gramophone records, local registration takes place at the factory of a British firm in Zagreb. The recording of discs is in the Serbian and Croatian languages. All the world-famous makes of gramophones are on sale.

Crude and milled asbestos was imported during 1929 to the extent of 11,023 kilograms; Austria, 9,444 kilograms; and Germany, 1,277 kilograms. It is possible that in these shipments some Canadian asbestos was included, coming indirectly into the country. As far as manufactured asbestos is concerned,

importations in 1929 were 13,387 kilograms: Austria, 5,008 kilograms; Germany, 4,994 kilograms; United States, 1,286 kilograms. The cheapest lines of manufactured asbestos come, in a small way, from Hungary and Czechoslovakia.

Brushes, with wooden or metal handles, of vegetable materials or of metal, are imported chiefly from Austria. Importations in 1929 were 11,474 kilograms, of which over 70 per cent came from Austria. High-class brushes with ivory, mother-of-pearl, tortoise shell, and other backings, are imported to a very limited extent. There are some American tooth brushes on the market, but in shaving brushes the cheap German lines predominate.

It must be remembered that in many ordinary products, a distinctly oriental or Levantine aspect is still very marked in the Jugoslavian market. It is not entirely Western Europeanized. The costume of the Serbian and Montenegrin peasants has much of the Levantine in it. The coffee sets on sale are for Turkish coffee. The women use strong perfumes and soaps, and in Sarajevo are veiled. The carpets are mostly Turkish, even when produced locally, like the well-known carpets of Pirot. The usual small household table on sale is of the Arabic-Mushrebiyah type. In the far south, the camel is not unknown as a beast of burden.

## VI

### Market for Provisions

Jugoslavia offers only a limited market for certain kinds of food products which Canada is in a position to supply. From time to time shipments of flour have been made through Trieste for blending purposes. The country is, however, entirely self-supporting in respect to the majority of agricultural products. Normally, there is an exportable surplus of maize, wheat, and other cereals, while the output of such products as eggs and poultry entirely covers domestic requirements. Such limited openings as there are are chiefly for food specialties not produced in the kingdom. In addition to flour, Canadian canned lobsters and salmon are being imported in small quantities indirectly through Hamburg. There is also some opportunity for fresh apples at certain seasons of the year. The market for packing house products is small. Bread and meat—of which latter there is an abundant domestic supply available—form the principal constituents in the Jugoslavian diet. Fish is consumed only to a small extent; supplies come chiefly from the Danube. Sea fish is practically unknown in the interior outside of the leading tourist hotels. There is a large domestic production of sardines on the Dalmatian Coast.

#### APPLES

The purchasing power of Jugoslavia is very low, and the consumption of apples of high quality is limited. The chief centre for apples is the Tetovo district in the south. The quantity grown there is small; the fruit is of a light yellow colour. They are sold during the season locally for from 4 to 6 dinars per kilogram. The small supplies that come to the central markets generally bring from 6 to 8 dinars per kilogram. Only in respect to size is there any classification; several varieties may be found in the same basket. The favourite apple for eating is the Tetovo variety, which has a slightly acid flavour. Instruction in the cultivation and improvement of the variety that thrives best in Jugoslavia, and in grading and marketing, is being undertaken by the Ministry of Agriculture; but it will be a long time before the domestic product reaches the standard of the imports. Austrian and Californian apples are to be seen in the better-class fruit shops, but the quantities are small and the

prices high. Foreign apples sell retail at the high price of from 24 to 40 dinars per kilogram, and they come on the market just after the Jugoslav crop is finished.

All imported fruit is dear in Jugoslavia. Italian oranges, costing from 2 to 3 dinars each, and West Indian bananas, costing 4 dinars each, find a steady market. The price of the Canadian apple would work out at about the same price as the banana.

The importation of apples in 1929 totalled 110,655 kilograms (Italy, 42,713; United States, 42,088; and Austria, 25,635).

There is no market for dried apples, exports of which in 1929 totalled 178,899 kilograms, almost entirely to France.

#### BEVERAGES

The production of beer in Jugoslavia in 1928 was 524,849 hectolitres (1 hectolitre equals 22 gallons), and the productive capacity of the thirty-five breweries is estimated at 1,600,000 hectolitres. This industry will have to concentrate, and the big breweries buy up the small ones. There are now five larger enterprises, one at Slovenia, one at Zagreb, one at Sarajevo, and two at Belgrade. The consumption of beer is relatively small, as the masses drink wines and brandy. Beer is chiefly drunk, through Austrian tradition, by the middle classes of Croatia.

Excellent wines are produced in Jugoslavia—the best on the Dalmatian Coast. In 1929 the production there (chiefly red) was 752,280 hectolitres. The majority of the wines have from 12 to 13 per cent alcoholic content. Formerly, wine from Dalmatia went to Vienna, Prague and Budapest, when the Dalmatian Coast formed part of the old Austro-Hungarian Empire. Owing to new customs barriers, the local vine growers are finding it difficult to meet the competition of Italian, Spanish and Grecian wines, and exports are much smaller. The total area under vines is over 150,000 hectares (practically 250 hectares to the square mile).

#### CANNED FRUITS AND VEGETABLES

There are a number of plants in Jugoslavia engaged (during the season of three months) in the production of canned fruits and vegetables. One factory produces from 150,000 to 240,000 kilograms, and another 150,000 kg. of fruits and vegetables and 800,000 kg. of jam. The bulk of the demand is from the schools and the army.

Importations are classified under "canned tomatoes" and "others". Canned tomatoes were imported in 1929 to the extent of 177,536 kilograms, almost entirely from Italy. Under the heading "other" 21,966 kilograms were imported: rather less than half from Italy, one-fourth from the United States, and the balance principally (in the order named) from France, Greece, Spain, and Great Britain.

Canned apricots, sliced pineapples and peaches are among the imports. Del Monte from the United States may be seen in the better-class stores in the cities; that brand of canned asparagus in 1-lb. cans (15 ounces net) retails at 38 dinars.

Sales are effected through representatives. The usual conditions of payment are from 60 to 90 days, goods delivered at the frontier.

Advertising is done chiefly through the press and with illustrated cards for store display. The domestic production is poor in quality; but price is the determining factor in this market.

The importation into and the sale of foodstuffs (solid or liquid) in Jugoslavia is forbidden when such foodstuffs contain sulphurous acid as a preservative in excess of 0.35 per 1,000 or 350 milligrams per 1,000 grams.

## CANNED FISH

In Belgrade dealers were not optimistic with regard to the sale of canned salmon and lobster; and in Zagreb it was found that importations from Canada were coming in via Hamburg. In Zagreb sea fish is appreciated to some extent; but, on the other hand, in Belgrade freshwater fish from the Danube is preferred, except in the case of sardines, of which an abundant supply is furnished from the Dalmatian coast, and some imported from France.

One well-known brand of Canadian lobster is to be seen in the better-class retail stores in Belgrade and Zagreb. The 1-lb. cans of lobster are retailed in Zagreb at 75 dinars; the  $\frac{1}{2}$ -lb. at 40 dinars, and the  $\frac{1}{4}$ -lb. at 30 dinars. This is a far higher price than even the average well-to-do are prepared to pay. As has been already stated, canned salmon is entering Jugoslavia indirectly via Hamburg. One or two merchants expressed interest in having direct quotations in Zagreb, as did one firm on the coast. But, on the whole, the prospects of increasing sales of either canned salmon or lobster are not promising.

Sardines enjoy some sale, with well-known French marks controlling the better-class trade. To introduce Canadian sardines would be difficult, as the market is very conservative. Imports of sardines in 1929 totalled 5,601 kilograms—France, Germany, Italy and Spain (in the order named) being the chief sources of supply. (German firms would seem to be handling the Portuguese product.) Sardines are preferred without bones. Exports of sardines totalled 155,320 kg. in 1929 (Italy, 127,222 kg.).

The revision of the map of Europe after the war adversely affected the fish industry of the Dalmatian Coast. Prior to the war, this territory belonged to Austria, and there was no tariff barrier to prevent fish passing freely up to Vienna.

## DUTIES ON CERTAIN CANNED GOODS INTO JUGOSLAVIA

The principal duties in Jugoslavia on Canadian canned goods are as follows:—

Item No.	Per 100 Kg. (220 Lbs.) (Gold Dinars)
143 Preserved food products not mentioned elsewhere in the tariff—	
Vegetables and fruits . . . . .	70 (\$13 51)
Tomatoes in hermetically sealed receptacles . . . . .	50 ( 9 65)
Peach and apricot pulp with no sugar even in hermetically sealed receptacles . . . . .	50 ( 9 65)
Preserved fish, meat and shell fish, even in hermetically sealed receptacles . . . . .	200 ( 38 60)
Tunny in oil, in tins . . . . .	80 ( 15 44)
Mackerel in oil . . . . .	120 ( 23 16)
Other preserves, in hermetically sealed receptacles, with the exception of fish . . . . .	80 ( 15 44)

For customs purposes, the exchange is applied at the rate of 11 paper dinars for 1 gold dinar.

## CEREALS

The principal Jugoslavian wheat is known as "Banat," and it has a number of local varieties. Undoubtedly Banat will remain the wheat for Jugoslavia, both in extent and yield for some years, but much will have to be done in experimental work to improve it, or to introduce other seed, and attempts have been made to decrease its sensibility to rot. No figures are available in regard to the area recently planted under wheat. Jugoslavia is a wheat-exporting country. Exports totalled 554,000,000 kilograms in 1929, of which Roumania took 410,000,000 kg.

When Jugoslavian wheat is milled, it is of little use for pastry making in the Canadian sense of the word, and then imported Canadian flour is blended with it. Imports to the extent of 78,000 kg. were brought in from the surrounding countries, principally from Hungary.

## CHEESE

Jugoslavia produces a number of her own cheeses, but the supply is limited, while the types produced are the most ordinary. The consumption of fine cheese is very small, and therefore importations—principally Gorgonzola—are modest in volume. The local production in Croatia, Slovenia, and Baranja is from cow's milk. Serbia, Montenegro, Bosnia-Herzegovina and Backa produce sheep's and goat's milk cheeses. An excellent Trappist cheese is produced in Bosnia. Bosnia-Herzegovina, Montenegro and South Serbia produce a cheese known as Kach-Kaval, whilst the best cheese produced in Backa is the famous Sombor cheese. The figures of domestic production are not ascertainable. Exports totalled 301,420 kilograms in 1929.

## CHOCOLATES

There are said to be about sixty manufacturers of chocolates in the country. Importations in 1929 totalled 163,394 kilograms, of which 124,696 kg. originated in Switzerland and 23,643 in Austria. There are practically no exports.

## FLOUR (WHEAT)

There are 725 flour mills in Jugoslavia with a productive capacity of 7,430 metric tons per day. The average mill is very small, with a capacity of less than ten metric tons per day; the capacity of the largest is 160 tons. Imports of flour in 1929 totalled 158,105 kilograms. The chief sources of supply were the United States (95,628 kg.), and Canada (44,325 kg.). Cheap Durums are brought in from the United States. Imports are small compared with the exports, which totalled 10,603,220 kg. in 1929—Austria (9,558,130 kg.), followed by Hungary, Czechoslovakia, Albania and Greece being the principal destinations.

It would be difficult for Canadian millers to handle business through importers in Belgrade; the bulk of it has been done through agents in Trieste. Zagreb would be the best location, but, in securing an agent within the country itself, the difficulty would be to get a man of experience to handle this product. Prior to the war, while this country, with the exception of old Serbia and Montenegro, was under the jurisdiction of Austria, Trieste was an Austrian port.

## CUSTOMS DUTY ON IMPORTS OF FLOUR

	Duties in Gold Dinars per 100 Kg. (220 Lbs.)	
	Maximum	Minimum
Flour of wheat . . . . .	14 (\$2 70)	8 (\$1 54)
Flour of rice and pulse . . . . .	25 ( 4 82)	20 ( 3 86)
Potato meal and meal of malted cereals; other mill produce, groats and shelled cereals and pulses . . . . .	40 ( 7 72)	30 ( 5 79)

Under a most-favoured-nation agreement with Jugoslavia, effective August 9, 1928, Canada receives the benefit of the minimum tariff.

## GRAIN SEED FOR FARMING

It might be possible to find some market for the sale of grain seed for sowing purposes in Jugoslavia with a view to the raising of the standard of the local wheat. Manitoba seed has already been used from time to time as well as Czechoslovakian "Bresivka." Both are said to have given fairly satisfactory results.

## HONEY

Honey is produced and marketed in a primitive way. Exports are chiefly to Austria. In 1929, 32,000 kilograms of comb honey were shipped to that country.

out of a total of 33,000 kg., and liquid honey to the extent of 9,600 kg. out of a total of 10,200 kg. On the other hand, a certain amount of honey is imported in the liquid state from Germany (5,000 kg. in 1929). The quality of the exports is better than that of the imports. Production is chiefly in the old Austrian provinces.

#### NOTES ON MISCELLANEOUS PROVISIONS

There are a number of other miscellaneous provisions imported into Jugoslavia, but the volume of business in each case is small. Recently soda biscuits have been brought into Jugoslavia. The price of Kellogg's corn flakes on sale is 35 dinars—nearly three times the Canadian price. Good tea is very expensive; the cheaper tea costs 55 dinars per quarter kilogram. English biscuits are sold in the better-class stores and the same applies to jams. Crosse & Blackwell's jams are retailed in cartons in order to save paying the duty on the glass containers; the small carton costs 30 dinars in Belgrade. There will be no opportunity for Canadian jams owing to the small trade and to the fact that the brands are unknown.

It is difficult to obtain suitable agents to handle foodstuffs lines in Jugoslavia, particularly in canned fruit products and bottled goods. The business is done direct with the retail store; it is therefore a jobber's business, not a bulk factory export.

#### SUGAR

While a fair amount of fine-quality sugar is imported, the local industry provides not only sufficient beetroot sugar for the home production, but also for export. In 1929, 1,361,481 kilograms of white crystallized sugar were imported, chiefly from Czechoslovakia. Some high-quality sugar came into the country from the United States, amounting to 44,725 kg. A certain amount of brown sugar is also imported from the United States.

There are eight fairly large factories for the manufacture of beet sugar, two of which are owned by the State. The production of sugar has increased steadily. The kingdom consumes annually 80,000 metric tons. Production in 1925 was 122,800 metric tons, leaving a large available export surplus. A fair quantity of dried sliced beet is produced for export, a good third of which goes to the United States. Only home-grown beet is handled by the domestic sugar industry, in which 7,500 men are employed. The principal factories are Tsrvenka, Vrbas and Belye.

## VII

### The Market for Agricultural Machinery

Jugoslavia is essentially an agricultural country, over 70 per cent of the inhabitants being engaged in that industry. Up till quite recently there was no domestic production of agricultural machinery, but within the last few months a Hungarian manufacturer, Hoffer Schrantze, established a factory at Novi-Sad for making all types, which will employ about 200 hands. The chief production will be in threshers. The tariff is at present favourable to their importation, but when domestic production becomes considerable, it is likely that the Government will be asked to afford it protection. In agricultural implements there is at present sufficient domestic production: importation is not practicable.

The Jugoslavian market for agricultural machinery is essentially highly competitive, owing to the considerable production in some of the neighbouring countries. Germany, Hungary and Czechoslovakia are large producers and exporters of agricultural machinery, and are favoured by their proximity to the market keeping them in constant touch with its needs and assisting them in pro-

moting relationships with prospective purchasers. In spite of evident handicaps, Canada is well represented in this field by two large manufacturers. Although the Dominion does not appear as a country of origin in the Jugoslovian statistics for agricultural machinery, this is because some of these importations come via Hamburg, and others are received through other European countries.

#### IMPORTATIONS

The following is a summary of the importations in 1929:—

*Threshing Machines Weighing More Than 1,000 kg.*—Total, 3,350,462 kg. (53,783,200 dinars); Hungary, 2,641,423 kg. (41,377,800 dinars); Czechoslovakia, 365,824 kg. (6,839,900 dinars); Germany, 170,930 kg. (2,357,500 dinars); England, 114,643 kg. (2,368,400 dinars).

*Weighing 1,000 kg. or less.*—Total, 349,840 kg. (4,107,027 dinars); Czechoslovakia, 238,702 kg. (2,759,807 dinars); Austria, 85,635 kg. (1,015,100 dinars).

*Reaping Machines.*—Total, 250,715 kg. (2,540,900 dinars); Czechoslovakia, 112,380 kg. (1,306,000 dinars); Germany, 76,153 kg. (620,000 dinars); United States, 45,558 kg. (452,000 dinars).

*Grubbers.*—Total, 18,692 kg. (241,960 dinars); principally Czechoslovakia, Germany and Hungary.

*Mowing Machines.*—Total, 906,347 kg. (10,691,550 dinars); Germany, 505,226 kg. (5,728,250 dinars); United States, 222,790 kg. (2,943,200 dinars).

*Sewing Machines.*—Total, 986,930 kg. (12,512,090 dinars); Czechoslovakia, 710,115 kg. (9,004,840 dinars); Hungary, 190,744 kg. (2,523,400 dinars).

*Tedders.*—Total, 354,505 kg. (7,945,497 dinars); Hungary, 149,605 kg. (4,100,800 dinars); Austria, 123,953 kg. (1,883,497 dinars); Germany, 61,410 kg. (1,377,900).

*Scufflers.*—Total, 6,061 kg. (102,950 dinars), principally Czechoslovakia.

*Separators, Centrifugal Machines for Butter.*—Total, 88,391 kg. (3,710,680 dinars); Sweden, 63,094 kg. (2,566,680 dinars); Czechoslovakia, 11,506 kg. (443,850 dinars); Germany, 11,161 kg. (591,900 dinars).

*Other Dairy Machinery.*—Total, 31,580 kg. (1,234,800 dinars); Germany, 16,082 kg. (668,500 dinars); Sweden, 12,508 kg. (498,400 dinars).

*Wine and Fruit Presses.*—Total, 43,082 kg. (548,095 dinars); Hungary, 20,528 kg. (228,100 dinars); Austria, 10,396 kg. (175,100 dinars).

*Straw and Hay Pressing Machines.*—Total, 8,483 kg. (74,500 dinars); principally Greece, Italy and Germany.

*Small Prime Movers, etc.*—Total, 456,310 kg. (4,423,308 dinars); Czechoslovakia, 191,388 kg. (1,566,720 dinars); Hungary, 163,098 kg. (1,954,800 dinars); Austria, 82,311 kg. (680,200 dinars).

*Incubators.*—Total, 3,679 kg. (127,200 dinars); principally Germany and Austria.

*Others, n.o.p.*—Total, 330,637 kg. (4,068,315 dinars); Hungary, 156,878 kg. (1,823,000 dinars); Czechoslovakia, 91,182 kg. (1,070,530 dinars); Germany, 58,458 kg. (821,850 dinars).

Great care is necessary in making deductions from the above statistics. Imports from Canada are not specifically entered in the returns and a proportion is probably credited to France and some to Germany. Thus, it must not be supposed that every country has shipped out of its own production the amounts specified above.

#### AGRARIAN REFORM

The market for agricultural implements has been changed by the agrarian reform laws introduced by the Serbian rulers on the formation of Jugoslavia after the war. The idea underlying the legislation was that each man should own the land he worked; serfdom and large holdings were together to be abolished. The large Austrian landlords of the old regime were dispossessed by the Serbians and an era of small holders introduced.

The larger land owners, who were able to purchase large and expensive machinery, having passed out of the picture, it is now only possible to purchase farm machinery of modern type through the co-operative societies. The first need of the rural population under the changed conditions is a system of agri-

cultural credits. First of all, to free the peasant holders from debt to small banks and usurers, who have sometimes charged 40 per cent interest on their loans; secondly, to provide the means to buy selected sowing seeds, farm animals, artificial manure, and also machinery and implements so that they can pass from intensive to extensive cultivation.

An agricultural bank, founded on August 15, 1929, will begin operating in the immediate future and has been formed with the imposing capital of seven hundred million paper dinars.

The first credit societies established in Jugoslavia were artisan societies. Towards the end of last century, however, the institution of co-operatives for credit to the peasants was common among the Slovenians. At the end of 1927 there were 4,344 co-operative societies in the country. Of this number, 2,476, or 56 per cent were credit co-operatives.

The peasants in Jugoslavia show a decided preference for brightly coloured machines. The only purchases which the rural population—70 per cent of the total—can make from Canada are agricultural machinery and possibly selected sowing seeds.

#### AREA UNDER CULTIVATION

With the breaking up of the large estates by the law of agrarian reform, which was one of the first laws enacted after the war, the question of compensation to owners naturally arose and that is being arranged for on a considerable scale. Bonds have just been issued for 130,000,000 dinars to settle the feudal relations in Bosnia. In the settlement of claims for compensation in the province of Dalmatia, a sum of from 4,000,000 to 5,000,000 dinars will be required.

The official statistics of the Ministry of Agriculture of Belgrade give the total cultivated surface of the kingdom in 1925 as 11,122,683 hectares, or about 45 per cent of the total area of the country.

	Total Area Sown Hectares	Total Crop Met. Cwts.	Yield per Hect. Met. Cwts.
Maize . . . . .	2,146,119	37,906,647	18.30
Winter wheat . . . . .	1,718,390	20,843,437	11.83
Spring wheat . . . . .	66,433	560,865	8.63
Winter barley . . . . .	233,245	2,611,172	11.90
Spring barley . . . . .	141,276	1,229,351	9.70
Winter rye . . . . .	169,525	1,764,490	10.70
Oats . . . . .	352,080	3,450,438	10.05
<b>Total . . . . .</b>	<b>4,817,068</b>	<b>68,476,400</b>	

Besides the cultivation of these cereals, which are the chief crops, a considerable area is devoted to the growth of spelt, millet, buckwheat and rice.

The largest areas of maize are in the departments of Belgrade, Bačka and Srem, and of wheat in the Belgrade, Bačka and Osek departments. The wheat in these parts is excellent in quality, containing a high proportion of protein, and enjoys a European reputation under the name of "Tissa" wheat.

The following table shows the area of the sowings (in hectares) of the other chief industrial plants raised in the country in 1925:—hemp for thread, 39,787; sugar beet, 34,086; tobacco, 15,306; flax for thread, 13,195; opium, 5,379; rape-seed, 2,804; hops, 2,155; chicory, 272; and cotton, 880.

Besides this, there is still a large area to be put under cultivation. In view of this fact, it may be safely said that the market for agricultural machinery in Jugoslavia is capable of further development, provided the new conditions of sales can be met.

Large machinery will have to be put on the land through the co-operative societies, as there are but few landowners with a farm large enough to justify the purchase of machinery for themselves, even if they could afford the capital outlay.

## TYPES OF MACHINES IN DEMAND

The principal exports from Canada or by Canadian firms from their European factories to Jugoslavia have been in binders and mowers, whilst a considerable number of tractors and ploughs have been sent, and a smaller number of tedders and scufflers.

*Ploughs.*—The type of plough mainly in use in Jugoslavia is the Rudolph Sack, from 5 to 6 inches. Recently, however, the following types were also making headway: "Puek," "Cupido," "Dominus," "Comet," and "Servus." A plough should not run in weight under 35 or over 70 kilos.

*Seeders.*—These machines should allow for sowing in twelve furrows for wheat, but for maize, special maize-sowing machines for one and two furrows are also much in use.

*Harrows.*—These are wanted of the light ordinary type and are used both with wooden or iron frames.

*Scufflers, Scarifiers, Pulverisers, etc.*—The following types are in general use: "Austria," "Platz," "Hollander," "Vermorel," "Neuville."

## THRESHING MACHINES

All kinds of threshing machines weighing from 800 to 6,000 kilograms are in demand on the Jugoslavian market. The types, however, in more general use are the following:—3.5 h.p. with capacity of 350 sheaves per hour; 4 h.p. (350 to 400); 5 h.p. (450 to 500); 6 h.p. (500). The prime movers are, as a rule, steam engines or gasolene. Straw burners are in use. Until recently heavy machines were purchased, but lately the market seems to be inclined to prefer machines driven by gasolene with a capacity of from 400 to 1,000 kilos per hour. Interest was expressed by one firm in small threshing machines with from 2 to 3 horse power to compete with the Czechoslovakian machines coming in now from Josef Kaub at from 3,500 to 5,200 paper dinars each.

The threshers in this country have no blower attachment and self-feeder, because of the high-powered engines required to drive them, and there is probably no sale for these types owing to the high cost of gasolene. A rough estimate is that 10 sheaves go to a bushel of 60 pounds in a good year. The threshers have about one-fifth the power of those generally used in Western Canada.

Threshers with tractors, to provide the moving and driving power, are mostly asked for in Banat, Baika, and Srem; but steam straw-burning portable engines are still most popular in Serbia. The question of fuel in the several localities is important in studying the openings for threshers. The price of gasolene is high and is not uniform throughout the country.

Threshers represent the largest item of importation. The country providing the greatest number of threshers weighing one ton or less is Czechoslovakia, while the heavier machines come chiefly from Hungary.

## DAIRY MACHINERY

The principal demand for dairy machinery is in the northern provinces of Croatia, Slovenia and Voivodina, in which very good butter and cheese are produced, and it is in these provinces that manufacturers of Canadian dairy machinery must look for a market if they desire to enter this territory. The demand is not large, and it is chiefly supplied from Sweden. The best market is for the Battie; there is also a very restricted market for small churning.

## INCUBATORS

Recently the people in Jugoslavia have gone in for the scientific raising of poultry, and French, German and English incubators are on sale. The Trade Commissioner's office in Milan is in a position to put Canadian manufacturers,

who have something novel to offer, or who are in a position to compete in price, in touch with importers. On market days the store windows around which most of the peasants congregate are those showing incubators with chicks.

The majority of incubators on sale are small and are oil-heated. There is no reason, however, why large incubators from 10,000 to 20,000-egg capacity of the cabinet type with electric heating cannot be used in certain centres. Only a few large incubators can be sold; the big selling line is the 100 to 400-egg capacity with oil heating. This office is in touch with the owner of a large farm who is interested in the larger size incubators of the cabinet type.

#### CANADIAN SHIPMENTS

The principal types of agricultural machines which Canada is shipping to Jugoslavia are, as has been stated, binders, mowers, tedders, ploughs, scufflers and tractors. Last year some corn planters were also imported.

At one time only 5-feet binders were in demand; now various sizes are imported. The size of the reapers is generally around 4 feet. A few of these are imported from Canada.

#### CREDIT TERMS

One of the great difficulties of this market, as far as Canadian exporters are concerned, is the long credit terms which are often given by their competitors, particularly by Czechoslovakian and Hungarian firms. By selling at fairs and bringing their machinery in free for exhibitions and only paying the duty when they are disposed of, and by sending out travelling salesmen rather than maintaining a large stock—which exporting countries at a distance like Canada have to do—they cut out overheads and at the same time, by personal contact with the peasant, are able to grant extremely long credits, extending in some cases to three years. The following are the credit conditions, as a rule, to customers:—

*Binders*.—50 per cent with order, or 50 per cent after harvest; or 33½ per cent with order, 33½ per cent after first harvest, 33½ per cent after second harvest.

*Threshers*.—20 per cent with order, 20 per cent each, after first, second, third and fourth—in all 3½ years' credit.

*Tractors*.—25 per cent with order, 25 per cent after 6, 12 and 18 months.

#### TARIFF ON AGRICULTURAL MACHINES

By accepting in 1928, the most-favoured-nation terms of the treaty of commerce of 1927, between the United Kingdom and Jugoslavia, Canada received the most favourable tariff treatment for her products entering Jugoslavia which, as regards agricultural implements mentioned, is at the present time, as follows:

	Rate of Duty
Threshing machines . . . . .	Free
Unit incorporating threshing machine mounted on a motor car frame, both operated by the motor car engine . . . . .	Free
Such motor car frame and motor imported separately . . . . .	20 per cent ad valorem Temporarily admitted free of duty from February 7, to September 30, 1930. Former duty 40 gold dinars per 100 kilogs. (\$7.72 per 220 lbs.)
Ploughs . . . . .	Free
Clod crushers, gathering machines and winnowers . . . . .	20 gold dinars per 100 kilogs. (\$3.86 per 220 lbs.)
Sowing machines for maize and beetroots up to 4 rows . . . . .	30 gold dinars per 100 kilogs. (\$5.79 per 220 lbs.)
Other sowing machines . . . . .	30 gold dinars per 100 kilogs.
Straw and hay presses . . . . .	(\$3.86 per 220 lbs.)
Separators, butter centrifugals and other dairying machines . .	20 gold dinars per 100 kilogs. (\$3.86 per 220 lbs.)
Grape and fruit presses . . . . .	20 gold dinars per 100 kilogs. (\$3.86 per 220 lbs.)

## DISTRIBUTION METHODS

In order to improve agricultural methods by State aid, a law concerning a new extraordinary credit for the organization of the export of Jugoslavian produce has just been passed. Under this law the Ministry of Finance, during the fiscal year 1930-31, will place at the disposal of the Ministry of Commerce and Industry an extraordinary credit of up to 50,000,000 dinars out of surplus revenues in the same fiscal year. From the same fund voted, the Ministry of Commerce and Industry is to found a "privilege" share company for the export of the produce of the Kingdom of Jugoslavia. By "privilege" is meant that the company will be exempt from payment of government and local government taxes on its formation, increases of capital, amendment of statutes, and issues of shares, and also for the conclusion of loans.

The demand for agricultural machinery is one that would increase after one or two good crops. The Government is very ambitious to make Jugoslavia an exporter of agricultural products. North American methods are being closely studied. Jugoslavia desires to find a natural outlet for her flour in the Grecian market, but to do this she must raise the standard of her wheat crop. Undoubtedly, this country will at a later date be a keen competitor in Greece. Last year, wheat sales from Jugoslavia to Roumania increased 74.86 per cent.

The usual methods of distribution for agricultural machinery are practised in Jugoslavia. Deposits of machines with practical demonstrations are the best means of advertising. The National Agricultural Society of Jugoslavia holds competitions for ploughs for animal traction. These competitions are useful means of showing agricultural machinery as the peasants throng to them, and study for themselves which is the best make for their special needs. Newspaper advertising in this country would be of little advantage: the majority of the peasants do not read newspapers; there are too many of them and their circulation is small. A better method might be by the distribution of almanacs containing propaganda for agricultural machinery.

## VIII

**The Market for Automobiles**

The Kingdom of Jugoslavia is one of the newly created post-war European countries in which motor car transport is in its early days. The market should, as it develops, present fair openings, and there is every prospect of a fair business being done for those firms that establish themselves in a good position to-day. Importers state that, provided manufacturers were able to grant credits for longer duration than they do, automobiles could be sold in larger numbers in spite of the fact that the exchange is against purchasing foreign goods, and of the defective condition of the highways.

Before the war, Belgrade (the capital of Jugoslavia) was the capital of Serbia, and had not anything like the commercial importance it has to-day. It is now a fine city of considerable proportions, with modern buildings and paved roads. Magnificent administration buildings have been built, and the old Turkish town with its rough stone cobbled roads and low sloping roofs is rapidly disappearing.

American automobile manufacturers are supreme in this market. A growing tourist trade on the Dalmatian coast should increase the demand for automobiles. The roads have not yet been organized into a uniform system, but it is expected that this will be done as soon as the Government is able to set aside sufficient funds to draw up a complete road program.

## ROADS

There are approximately 45,000 kilometres of public roads in the Kingdom, distributed as follows (figures in kilometres): Serbia, 11,000; South Serbia, 2,600; Montenegro, 823; Bosnia, 7,000; Vojvodina, 4,700; Dalmatia, 500; Croatia, 9,500; and Slovenia, 7,200. The width of roads is fixed by regulation, but variations from the specified widths are frequent, owing to the difficult nature of the terrain in certain regions. What are known as national highways and first-class district roads call for macadamized surface laid on foundations of stone. The binding material is invariably obtained from the neighbourhood.

A number of the district roads and some of the national highways have been built without foundations. In Serbia all the roads are hard-surfaced, but a number lack foundations. Surfacing is usually of gravel bound with sand. They are frequently in need of repair, and are muddy in winter and dusty and rough in summer.

## IMPORTATION OF AUTOMOBILES

During the year 1929 imports of lorries were valued at (in paper dinars) 13,041,962; of other automobiles at 84,854,090; and of automobile accessories at 1,452,172. The United States was the chief supplier of lorries (5,652,890 dinars); followed by Germany (2,053,716) dinars; and Belgium (1,954,145 dinars). Canada's share was 45,645 dinars. Of other automobiles the United States shipped to the value of 42,880,437 dinars; Belgium, 9,681,063; Germany, 8,020,221; Italy, 7,575,571; and Canada, 1,768,083. France and the United States were the chief sources of accessories: 996,100 and 225,412 dinars respectively.

## AUTOMOBILES IN USE

In March, 1930, the number of private cars in use in Jugoslavia was 8,009, divided as follows: British, 64 (over 80 per cent being Morris and Talbot); Belgian, 25 (Minerva comprising 50 per cent); French, 840 (nearly 70 per cent being Citroen and Renault); German, 613 (Mercedes 208, and Opel 275); Italian, 1,643 (Fiat 1421, and Lancia 67); Austria and Czechoslovakia, 548 (Austro-Daimler 183, and Steyer 184); United States and Canada, 3,646 (Ford 1,674, Chevrolet 696, Buick 240, Dodge 176, Chrysler 152, Overland 130, and Studebaker 108).

The total number of trucks and omnibuses in use in March, 1930, was 2,338, of which 877 were American or Canadian (Ford 652 and Chevrolet 168). French totalled 166 (the bulk being Citroen, Renault and Berliet); German 250 (Opel, Bussing and Benz); Italian, 397 (Fiat, 364); Austrian and Czechoslovakian, 173.

The number of motor cycles in use was 2,833, the principal being:—B.S.A., 336; Pugh, 324; D.N.V., 268; Harley-Davidson, 242; Indian, 220.

## SELLING PRICES

The local sub-agents are generally men without much means, except in the case in which substantial backing is afforded by two American firms. All the money they have is invested in the few automobiles in their garage, and they are unable to extend credit to their customers without the aid of the manufacturer.

The granting of extended credit to these sub-agents would undoubtedly increase sales.

The following are the sale prices of the principal makes of passenger automobiles (expressed in dinars):—

Ford (4-cylinder).—Touring, 48,800; sedan, 65,000; 1-ton truck, 54,000.  
 Chevrolet (6-cylinder).—Touring, 54,000; sedan, 75,000.  
 Plymouth (4-cylinder).—Touring, 73,000; sedan, 84,000.  
 Citroen (4-cylinder).—Touring, 76,000; sedan, 86,000. (6-cylinder), touring, 89,000; sedan, 95,000.  
 Fiat (4-cylinder).—Touring, 46,000; sedan, 58,000. (6-cylinder), touring, 92,000; sedan, 109,000.  
 Mercedes-Benz (6-cylinder).—Touring, 105,000; sedan, 125,000.  
 Peugeot (4-cylinder).—Touring, 39,000; sedan, 48,000.  
 Morris (4-cylinder).—Touring, 60,000; sedan, 72,000.  
 Renault (4-cylinder).—Touring, 58,000; sedan, 68,000.  
 Skoda (4-cylinder).—Phaeton No. 430, 72,000. (6-cylinder, 45 h.p.), sport cab No. 645, 125,000.

Another reason why the use of automobiles in Jugoslavia is not as yet great is due to the fact that the price of gasoline, which varies in the different districts, is high, and, in addition to an import duty, is subject to a consumption tax.

#### TYPES OF AUTOMOBILES REQUIRED

North American cars are very suitable for the rough roads in Jugoslavia. Neither the English car nor the light Italian Fiat are so well suited to road conditions. There must be at least a 9-inch clearance. In southern Jugoslavia the roads are particularly rough, and in that part of the country only North American cars are to be seen, these being ideal for country districts.

#### NEED FOR SPARE PARTS

The usual types of spare parts and accessories for automobiles are in demand, but owing to the small number of automobiles in the country and to the great variety of types of cars in use, it is difficult for stockists to maintain any quantity of spare parts. Sparking plugs, radiator cement, asbestos brake lining of all types as well as foot air pumps—these cost 100 dinars—are in the market. While the demand for cheap horns is good, the demand for windscreens and bumpers is practically nil, as most cars come fitted with bumpers.

#### DISTRIBUTION

*Czechoslovakian Methods of Sale.*—While American automobile manufacturers have to maintain their own local sub-agents (who want at least their 20 per cent profit) with garages, Czechoslovakian manufacturers who are so near the frontier are endeavouring to sell their cars in a less expensive way. The usual method, it is understood, is to bring over some cars and show them at the Automobile Exhibition which is held in Zagreb early in April, thus avoiding the expense of paying duty except when a sale is made at the exhibition. The cars are then garaged in the principal centres. Sales are sometimes made on a basis of two or three years' credit. The travelling salesman, who brings the cars over for the exhibition, proceeds through the country disposing of the rest. Thus the expenses of a permanent establishment with mechanics and supplies, together with overhead charges, are eliminated.

#### CUSTOMS DUTIES

The duties of motor vehicles imported into Jugoslavia are:—20 per cent f.o.b. price value, plus 20 per cent on freight to the Jugoslavian frontier. There is no luxury tax. A certificate of origin is necessary, endorsed by a local chamber of commerce. There is no special form for the certificate of origin

and any well-known language will do. There is also a road tax of 1 dinar per kg., applicable everywhere and payable at time of duty.

To ship the automobiles in parts would be more expensive owing to the fact that duty would be charged on the various items such as aluminium and copper parts, etc.

The documents that should accompany the automobiles to Jugoslavia are original invoice, original certified bill of lading, and certificate of origin. Although the Customs only demand a single copy of all documents, it is better to send two.

The registration of any car privately owned costs 3,000 dinars, and in addition a sum of 500 dinars for the municipal taxes is charged in Belgrade. It varies in other cities. There is also a police tax of 110 dinars and a number tax of 70 dinars.

## IX

### The Market for Rubber Goods

Owing to lack of domestic production, importations of rubber goods are of primary importance in Jugoslavia. All automobile tires are imported. There are a few vulcanizing establishments, but these are of a primitive type. The bulk of the automobile tire imports are from Italy and Germany, and of other tires from Austria. The rubber galoshes trade is in the hands of the cheap producers—Austria and Czechoslovakia. Imports of crude rubber come indirectly via Austria; the total in 1929 was 11,076 kilograms.

#### TIRE IMPORTS

Importations of tires for automobiles amounted to 221,726 kilograms in 1929; numbers are not recorded. The principal countries of origin (with quantities in kilograms) were: Italy, 79,979; Germany, 61,241; United States, 25,143; Austria, 18,664; France, 16,193; Belgium, 10,603, and Canada, 251. Belgium appears in this list, but it is possible that some of the tires credited to that country originated in Canada. Imports of motor cycle, bicycle and solid tires totalled 161,631 kilograms in 1929. The principal countries of supply were: Austria, 64,646 kilograms; Germany, 34,560; Hungary, 25,766; Italy, 13,908; France, 8,213; Czechoslovakia, 6,298; and the United States, 5,736 kilograms. Italian factories, such as the Michelin in Turin, and the Pirelli, had the bulk of the trade in automobile tires, and Austria in bicycle tires in which cheapness is the determining factor in the market.

#### TYPES SUPPLIED

Straight-edged tires are chiefly in demand, as one would judge from the predominant place held by the American car. There is, however, a restricted field for the clincher type; some cars, such as the Italian, are not as a rule equipped with demountable rims. Solid tires are much less in demand than other types, and are less so than they were, as the use of solid tires is to be forbidden on and after January 1, 1931; but, in view of the number in use, not only by commercial firms but also by government departments, this date may not be rigidly adhered to. For straight-edged and clincher-type tires the sizes specified in detail in the chapter on the market for automobiles on a previous page are in demand. Expansion in the sale of tires will take place in proportion to the credit granted in the sale of cars. With one or two exceptions, the local dealers have not much money, and are thus unable to grant long credits to a number of clients.

The importations of inners and outers for automobile tires totalled 424,656 kilograms in 1929. The principal countries of origin were: Germany, 126,848 kilograms; France, 104,544; United States, 79,063; Austria, 49,023; England, 35,816, and Canada, 2,026 kilograms. Imports under the vague heading "other kinds" amounted to 85,541 kilograms.

On February 1, 1930, from a special return made by courtesy of the local Government's registration authorities, the number of private cars in use in Jugoslavia was 8,009, of trucks and omnibuses 2,338, of lorries 2,338, and of motor cycles 2,833. Importations in 1929 were 341 trucks and 2,146 other types, together with 969 motor cycles, 182 sidecars, and 5,515 push cycles. The annual increase will probably be, for the present, steady. Should, however, good crops prevail, and the agents in general become capable of granting wider credit terms, the market, which at present only applies to 20 per cent of the 13,000,000 inhabitants, should extend to a number belonging to the purely agricultural classes, which make up the remaining 80 per cent.

An increase in the importation of American tires can be looked for at the expense of Italian, due to the fact that the importation of cars from the United States, owing to their suitability to the road conditions, is increasing at the expense of European makes, and to the activity of one or two American automobile sub-agents with their greater power to grant credits than that accorded to their European rivals. Much depends on this last factor. Also, it has been found that North American tires stand up better on the roads, particularly in the south, than do Italian makes. This accounts for the increase that has been shown in North American importations. On the other hand, motor cycles and push bikes, which are being increasingly imported, are drawn chiefly from the nearer European factories. Over 50 per cent of the automobile importations, totalling 2,487 for all classes in 1929, came from North America. England and Germany were responsible for more than 60 per cent of the motor cycles, and Germany and Austria for above 75 per cent of the push bikes imported. This has a strong influence on the importations of covers and inners, as all machines for practical purposes come equipped with tires.

#### PACKING AND DISTRIBUTION

The usual type of export tire packing prevails—tarred paper with labels. Sales are generally made through the automobile dealers. These firms act as sub-agents of the general European distributors of the tire companies, and are mostly located in Belgrade, their own branches or sub-agencies in Zagreb looking after the northern territories of Slovenia, Croatia, and Slavonia, Vojvodina and Bosnia. In nearly all cases, another sub-agency of the Belgrade house looks after the increasing tourist traffic of Dalmatia. Two factories, however, make an exception. One has created a Jugoslavian company for sales, and the other sells directly to a number of agents who draw their stocks from a supply held locally. Stocks in nearly all the other cases are held locally by all the sub-agencies. Terms of payment are generally liberal. Three or four months is somewhat of a minimum, as clients often demand further concessions. Advertising is carried in the local dailies; there is no technical Jugoslavian trade press. Here the Germans have an advantage as German trade journals are circulated over a wide area in the country.

#### GOVERNMENT CONTRACTS

For government contracts, tenders must be called. At least three tenders must be received for the call to be valid. However, for smaller and more urgent needs, the various departments concerned are allowed to purchase supplies locally. But here too at least three competing firms must have been approached. It is estimated that the supplies used by the State are some thousand solid and 3,000 pneumatic tires a year.

## MECHANICAL RUBBER GOODS

The importation of mechanical rubber goods into Jugoslavia is small; it is not an industrial country. A certain amount of business is done in rubber cable, all imported. The principal sources of supply are Austria, Germany and Italy. Of the imports in 1929, which amounted to 18,820 kilograms, nearly 50 per cent was Austrian. Rubber mats are imported in a small way, chiefly from Czechoslovakia, nearly half of the 1,266 kilograms which were imported during 1929 coming from this country.

It is difficult to measure the various importations of mechanical rubber goods, owing to the singular way in which the Jugoslavian statistics are classified. Sales are a matter of price. A certain amount of rubber hose comes in from Germany and Austria, as well as, to a small extent, from Italy. Sales of mats for automobiles are small. Rubber packings are imported from Czechoslovakia, and are chiefly of rubber asbestos, with or without metal insertions. Small mechanical lines, such as plugs for basins, rings for preserving jars, joints for gas rings and stoves, etc., are practically all German or Austrian. There is a limited importation of transmission rubber belting, and of vulcanite and ebonite articles, chiefly from Austria and Hungary.

## DRUGGISTS' SUNDRIES

*Surgical Goods.*—For articles made of cut sheet such as sprays, atomizers, ice bags, air cushions, and trusses, Germany is the chief source of supply, followed by Austria. Moulded articles, such as syringes, douches, and hot water bottles are also chiefly German; a few syringes are Italian. It is interesting to note that, according to a Canadian resident, rubber hot water bottles were unknown in Zagreb in the winter of 1927. Now, however, German and American makes are known all over the country. In rubber gloves and masks for doctors, Germany is the chief source of supply. Importations in 1929 were 850 kilograms, of which Germany is credited with 525 kilograms, followed by France, Austria and Czechoslovakia. (The United States is credited with 11 kilograms, representing shipments of their cheapest glove.) Terms of payment in the surgical trade are usually 30 days, but the German firms accept deferred payments of from three to four months. The natural prejudices of the doctors are in favour of goods from Austria or France as they generally receive their final training in these countries. There is only a trifling demand for bath mats and rubber sponges. Germany and Austria control what business there is in erasers.

## SPORTS GOODS

Some business is done in rubber heels from the United States, the total importations of which were 935 kilograms in 1929. In the sales of most sports lines, outside of tennis shoes, the United Kingdom holds first place, as in the case of tennis balls and football bladders. On the other hand, Germany rules in rubber toys. Complaints are made about British catalogues being printed only in English; but the market is naturally limited.

## RUBBER BOOTS AND SHOES

The full force of the North American rubber boot and rubber-soled canvas-topped trade has not as yet been felt in this market. There are therefore some prospects for Canadian manufacturers in these lines, in which the Dominion is credited with 235 kilograms in 1929, although it must be borne in mind that the peasant class, which comprises 80 per cent of the population, do not wear such articles at present. Both the peasant men and peasant women have their par-

ticular types of leather and cloth shoes, and they are very conservative. The biggest consumption of rubber boots and shoes is naturally in the north, in the old Austrian territories.

#### RUBBER SPORTS SHOES AND GALOSHES

The total importations of galoshes, and such few sports shoes as are imported, was 116,373 kilograms in 1929. The principal countries of origin were: Austria (41,246 kg.), Czechoslovakia (30,958 kg.), Sweden (20,540 kg.), Poland (5,643 kg.), Germany (5,620 kg.), and Switzerland (4,528 kg.). Canada is credited with 235 kg. Austria, it will be seen, controls practically one-third of the trade. The old Russian factories which are established in the north have a good footing, but owing to irregularity of shipments, they seem to have lost ground. The market demands only the cheapest goods. The larger business is for galoshes, not for tennis shoes. Canadian women's tennis shoes were seen at 120 dinars per pair retail; the sale of such goods is limited to the various sports areas, particularly Zagreb and Liubliana. It is necessary for the agent to obtain a stock of rubbers. Business is obtained by the agent going round in advance of the season, with samples, shipments then going forward. In the case of most of the principal exporters to this country, the factory pays the duty, 200 gold dinars per 100 kg., charging this in the quotations made by the agent on his original tour. The factory simply advances the funds, passing the goods through the customs for the agent. With regard to agencies, it is better to have one for the north in Zagreb, and one for the southern division of the country in Belgrade. In the case of rubber tennis shoes, orders will be small at first, in which case the agent does not have to carry stocks, but it is essential in rubber goods that stocks be carried to enable him to compete with European factories. Exporters should be particular in ascertaining that their agents are reliable, and have the necessary connections to carry on this business.

## X

### Distribution

Lack of direct communication is a severe handicap for Canadian firms shipping to Jugoslavia. This factor largely limits Canadian exports to the whole Balkan Peninsula. Italian shipping lines that serve the Pacific and Atlantic coasts conclude their voyages in Italian ports, and goods must be transshipped for Jugoslavia. Further, these lines are by no means rapid in their service, particularly the Pacific line which calls at a number of ports before arriving in Italy.

The general method by which Canadian goods reach Jugoslavia is via Hamburg, the goods being transshipped on the Elbe-Danube series of canals. All quotations should be to the Jugoslavian frontier at least. It is on this account that the German agent in Hamburg is such a necessary go-between for goods en route to a country like Jugoslavia.

#### AGENTS

There are at least three types of agents in Jugoslavia: travelling foreign agents, resident foreign representatives, and local agents or commission houses.

*Travelling Agents.*—The distance from Canada is long for a travelling agent and it is doubtful if he can obtain business to justify the voyage, unless the firm is already doing a considerable business in Jugoslavia. Such an agent is also generally handicapped by a lack of knowledge of the local languages,

which are absolutely essential between the retailers and the consumers. He is usually engaged chiefly in finding out representative local agents in the principal centres and supervising their system of distribution. He should not try to obtain numerous orders. The first visit should be merely an introductory trip for orientation. Canadian firms who use such a travelling representative should not employ him as a salesman, but as a general supervisor of the company's interests.

*Resident Foreign Representatives.*—One or two American automobile and tire firms have adopted this policy and have found it justified by the volume of their sales. These firms are always in touch, through their resident representative, with the characteristics and changes of the market, and can do a great deal towards assisting local distributors in their marketing. This policy is only justified when a company is doing a large business in Jugoslavia.

*Local Agents or Commission Houses.*—Probably this is the best policy for Canadian firms to adopt in attacking this market, but it is difficult to obtain good agents in Jugoslavia because the country was not a commercial country before the war. Belgrade, the present capital, was little better than a village and there were no trained commercial representatives. After the war a number of inexperienced men turned their attention towards the commercial field, and launched out as agents; sometimes with disastrous results to themselves and to those who backed them. This scarcity of good agents is most pronounced in Belgrade and in the South. In the North the position is somewhat different. There remain around Zagreb a number of the old Austrian local distributors, who, although they had had little experience in acting as direct agents for foreign firms, were accustomed working as distributors for the big Viennese houses. This furnished an excellent training for agents for foreign houses, provided the right type of man be found.

#### TYPES OF LOCAL AGENTS

Among the types of local agents to be found in Jugoslavia, besides the local retailers, are: one or two resident English and American houses; a number of German, Czechoslovakian, Austrian, and Hungarian concerns; Croatian agents in Zagreb; and Serbian agents in Belgrade. There are also a few French houses backed by French banks with very strong direct representation of their own.

Owing to the primitive conditions still prevailing in the jobbing trade, retailers are often direct importers. In such lines as gramophone records and fountain pens this would be obvious, but in Jugoslavia it goes even into the hardware and canned provisions trades. Thus the canned fish trade has few local jobbers, but really consists of retailers who purchase a small number of cases from jobbers in Hamburg or elsewhere. On the other hand, American apples are purchased in Hamburg by Hamburg brokers for the account of wholesale fruit merchants in Jugoslavia, and do not go direct to the retailer, except in a few cases. This is due to the fact that a few Italian fruit wholesalers, interested in their own lemon and orange trade, have penetrated into the interior of Jugoslavia.

No doubt as the country's commercial community is built up on more Western lines, wholesale merchandising will grow. There are, however, a number of good old retail stores—mostly in the North and one or two in Belgrade—that will undoubtedly develop a wholesale branch to their business.

It must not be concluded from the above that the agent and wholesaler do not exist. In many lines, such as textiles, they are fully developed, with the usual chain of business connections from the factory to the ultimate consumer.

The majority of local agents do not use English. It will therefore be better to use German when corresponding with a local foreign agent in Zagreb, and French when dealing in Belgrade.

#### LIMITATION OF TERRITORY

In the majority of cases it is better to have one agent in Zagreb looking after the northern territory, and another in Belgrade for the southern territory. One of these two agents should have a sub-agent on the Dalmatian coast, who should be under his control. The agent in Zagreb will find business proceeding along much more regular lines than in the new commercial city of Belgrade, where some time will be necessary before the commercial community has sorted itself out. Due to the work of the Canadian shipping companies, the name of Canada is much better known in Zagreb than in Belgrade. In addition, Zagreb has always been a point of departure for emigrants to Canada.

For highly technical goods, which only find a market in the larger centres like Belgrade and Zagreb, it is unnecessary to have two agents. One of the leading English houses—with headquarters in Belgrade—has a branch in Zagreb under another name. This is usual among technical firms. The natural locations for an agent on the Dalmatian coast would be Split, Dubrovnik, or Shusak. The latter is the starting point of railway and steamer lines for the bathing places and the summer resorts of the upper Adriatic and Dalmatia. Dubrovnik is a winter health and summer sea-bathing resort in South Dalmatia. Probably the best location is Split, the chief city of Dalmatia.

Again, in certain lines of goods, such as necessities, extensions would have to be made to such places as Novi Sad, Sarajevo, and Liubliana.

#### CAPITAL INVESTMENT

A large amount of the import business done by French and American firms is the result of capital investment in Government concessions. This covers many construction works, such as road making, manufacturing and mining concessions, and contracts to the State. Another great difficulty that the agent has to encounter in distributing Canadian goods is the presence of goods on reparations account from Germany and Austria. This will prove a barrier in certain lines until these reparations accounts cease.

#### SELLING TERMS AND CREDITS

Exporters to Jugoslavia should remember that if prices cannot be quoted c.i.f. Belgrade or Zagreb they should be c.i.f. the Jugoslavian frontier. Credit terms in many cases will have to be on a larger scale than most Canadian houses are accustomed to grant. Any peculiarity of the various trades in the country should be carefully humoured. The metric system is the local standard for weights in Jugoslavia and all specifications should be given in that system.

## XI

### Invoice Requirements and Customs Regulations

Canadian firms exporting to Jugoslavia should carefully observe the Jugoslavian customs regulations.

#### COMMERCIAL INVOICES

The Jugoslavian authorities accept commercial invoices, such as are issued by merchants and Canadian chambers of commerce or boards of trade in any language which can readily be understood in Europe. In all cases, commercial invoices should give the following information:—

- (a) Date and place of shipment.
- (b) Shipper's name and address.

(c) Consignee's name and address.  
 (d) Name of steamer and embarkation port.  
 (e) Precise description of the goods in regard to (1) marks; (2) quantities; (3) class and contents of packages; (4) weight gross and net weight (in metric or English units); (5) value, in any currency; if the term "dollar" be used, it must be stated whether it indicates American or Canadian currency.

Abbreviations should be avoided if the commercial invoice is in English, because they are likely to confuse foreigners with only slight knowledge of the language. Consular visa is unnecessary. No consular invoice is required. There is no necessity to quote home market values, but if false values are declared, this exposes the vendor or vendee to heavy fines.

Valuation of goods, dutiable ad valorem, is governed by an order of December 14, 1921, No. 71602, which lays down that the value includes:—

(1) The value of the actual goods as shown on the invoice.  
 (2) Value of packing and charges for packing.  
 (3) Freight charges, insurance premium during transport, and all other charges with which the goods may be debited when they reach the customs house through which importation takes place.

Customs duties are collected in gold dinars, the agio or premium being 1,000 per cent, so that to convert customs duties into paper dinars they must be multiplied by 11. Thus, if the rate is two gold dinars per kilo, it works out to 22 paper dinars per kilo. (Gold dinar equals 19.3 cents Canadian.)

#### CERTIFICATE OF ORIGIN

As Canada enjoys most-favoured-nation rates in Jugoslavia, a certificate of origin is always essential with any shipment from Canada. The certificate of origin must set forth:—

(a) Date and place of shipment.  
 (b) Shipper's name and address.  
 (c) Consignee's name and address.  
 (d) Name of steamer and embarkation port.  
 (e) Exact description of goods with respect to: (1) marks; (2) quantities; (3) class and contents of packages; (4) weight (gross and real net weight in metric or English units).  
 (f) Absolute specific declaration by the competent authorities that the goods are of Canadian origin and manufacture, the competent authorities being: (1) Jugoslavian Consul; chambers of commerce abroad; (2) Canadian municipal official; chambers of commerce; boards of trade; customs; (3) officers in the country of origin appointed or approved by the Jugoslavian Ministry of Finance.  
 (g) Signature and stamp of the official issuing the certificate.  
 (h) Date and place of issuance of the certificate.

If a single shipment is for several consignees, a certificate of origin covering each part should be forwarded to each individual consignee.

When invoicing Canadian goods from United States ports, the certificate of origin must be issued by Canadian and not by United States chambers of commerce, as all shipments must have a certificate of origin from the original source.

#### BILL OF LADING

Jugoslavian authorities accept all forms of bill of lading provided they show:—

(a) Date and place of shipment.  
 (b) Shipper's name and address.  
 (c) Consignee's name and address or "to order."  
 (d) Name of vessel and embarkation port.  
 (e) Accurate description of the goods in so far as: (1) marks; (2) quantities; (3) class and contents of packages; (4) weight (gross weight in metric or English units).  
 (f) Carrier's signature.  
 (g) Date and place of issuance of the bill of lading.

The ocean bill of lading only is required. To order bills of lading are sufficient as no authority in Jugoslavia requires the name and address of receiver of the goods on the bill of lading. However, its inclusion causes no complications. Consular visa is not necessary.

## PACKING LIST

No packing list is demanded by the customs authorities of Jugoslavia, but such a document might prove helpful in passing the goods through customs.

## PURE FOOD CERTIFICATES

While a pure food certificate is absolutely necessary only in the case of meat not packed in hermetically sealed tins, it is advisable when making shipments of other foodstuffs to Jugoslavia for this certificate to accompany the shipment. There is no prescribed form. The form used in Canada by Canadian Government inspectors covers all the data required. For canned goods the food certificate should state that the foodstuffs in question have been packed under hygienic conditions.

## SANITARY CERTIFICATE

Sanitary certificates are necessary with shipments of live stock, and food for same, such as:—

- (a) Grass and hay.
- (b) Skins, but not for dressed leather.
- (c) Wool, not washed.
- (d) Meat, which is not conserved in hermetically sealed tins.

Although no special type of sanitary certificate is prescribed by the customs tariff of Jugoslavia, it should contain the following data:—

- (a) Date and place of shipment.
- (b) Shipper's name and address.
- (c) Consignee's name and address.
- (d) Name of steamer and port of embarkation.
- (e) Description of (1) horses and heads of cattle, kind, breed, sex, age, colour; (2) other live animals, number, breed, colour; (3) raw hides and skins, raw wool, quantity, kind, etc.

A veterinary doctor's certificate is sufficient. This should always be accompanied by a certificate of origin.

The Jugoslavian customs only demand one copy of any of these documents, but it would be advisable, in case one is lost, to send them in duplicate.

## LANGUAGE OF DOCUMENTS

There is no objection to any well-known language. As to English and French, the likely languages to be used from Canada, the exporter is under no obligation at the present time to furnish a certified translation.

## MARKINGS

There are no special requirements for markings in the country of origin.

## SAMPLES

Samples of no commercial value are admitted into Jugoslavia free of duty. Such samples include cuttings and patterns unsuitable for purposes other than samples, but not articles for consumption or articles of food and drink. Samples having commercial value are subject to the duty regularly applying to ordinary commercial shipments, unless the duty on the shipment is less than 0·10 dinar.

## ADVERTISING MATTER

Deeds and manuscripts, as well as newspapers, fashion journals excepted, are admitted into Jugoslavia free of duty.

Advertising matter, such as wall or desk calendars, catalogues, price lists, printed articles in the form of posters, notices, instructions, etc., if in single

colour, other than bronze, gilt, or silver, pay 80 gold dinars per 100 kilos (minimum tariff), which applies to Canada. Books in foreign languages, in sheets or with soft bindings, are admitted free of duty. With stiff bindings they pay a minimum of 40 gold dinars and a maximum duty of 50 gold dinars per 100 kilograms.

#### PARCEL POST SHIPMENTS

The Post Office Customs Department do the customs clearance themselves on the basis of Post Office declaration accompanying the parcel in question from the country of origin. Parcels may be posted to Jugoslavia registered.

#### COMMERCIAL TRAVELLERS AND THEIR SAMPLES

A commercial traveller must have a passport and legitimation from a competent chamber of commerce or other authority showing that he is a commercial traveller. He must have with him a list (in duplicate) of his samples, which list must be certified by a competent Canadian chamber of commerce or other authority. Commercial travellers (accompanied by their samples) pay a fixed tax of 1,000 dinars per annum, but if they enter Jugoslavia on the 1st July or afterwards they pay 500 dinars for the second half of the year. When the commercial traveller passes the customs frontier he must deposit covering charges for the import duty on the goods carried, for which he receives a receipt. The amount will be returned when the traveller is leaving the country. Should he not leave through the point where he entered, he should arrange with the customs authorities to notify the point of exit.



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